

Year-End Training

Session I

Fiscal Year 2022-23



Presented by
Department of Finance
June 2023

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Course Objective

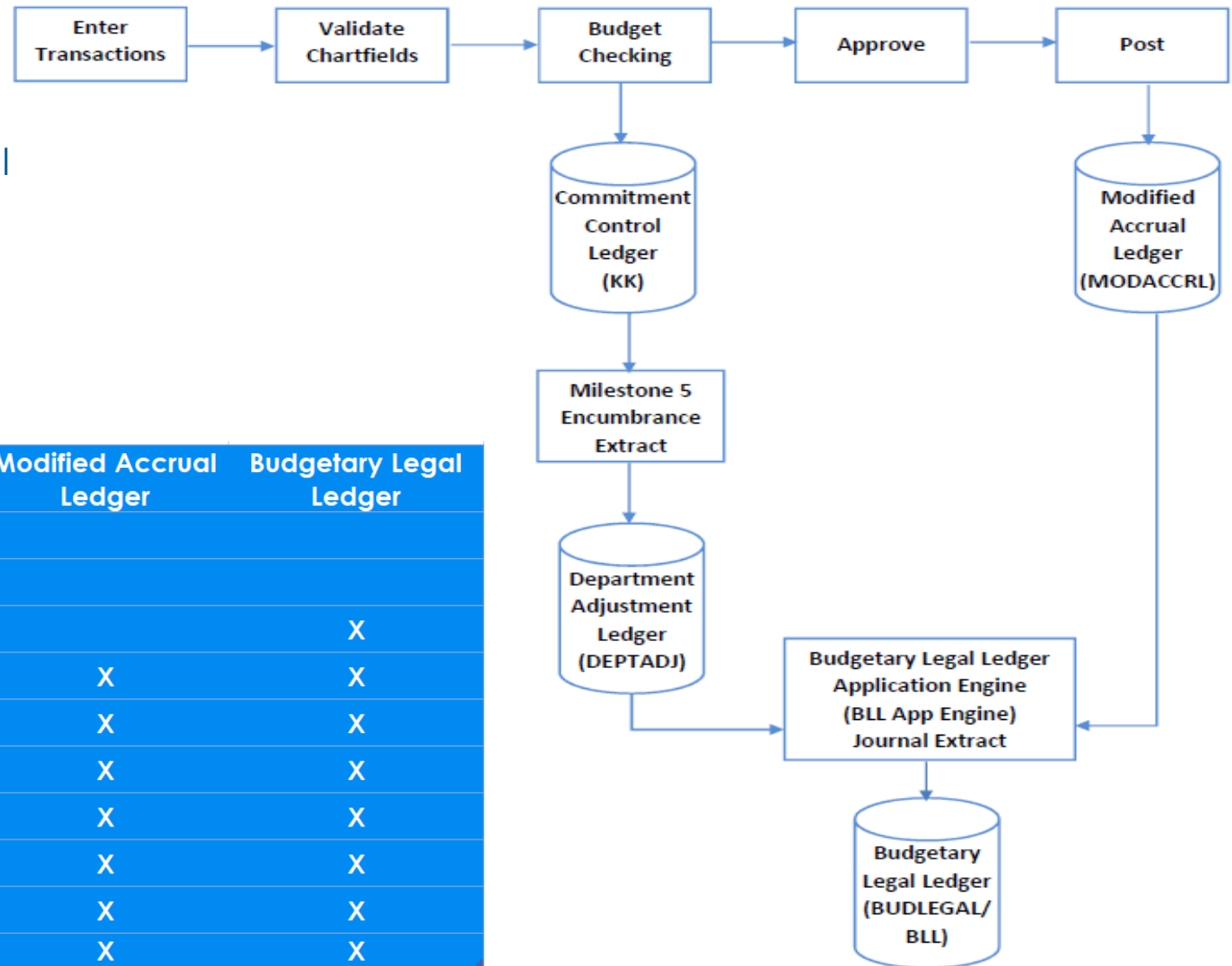
To obtain the knowledge and skills necessary to understand what is required to plan, prepare, and complete accrual entries for year-end.

Overview of Year-End in FI\$Cal

Budgetary Legal Ledger - Overview

- The Budgetary Legal ledger (BUDLEGAL/BLL) is the source of financial information for the Budgetary/Legal Year-End Financial Reports.
- It consists of cash basis, encumbrances, and accrual transactions.

	Commitment Control	Modified Accrual Ledger	Budgetary Legal Ledger
Budget	X		
Appropriated Encumbrances	X		X
Appropriated Expenditures	X	X	X
Appropriated Transfers	X	X	X
Unappropriated Expenditures		X	X
Unappropriated Transfers		X	X
Reimbursements	X	X	X
Revenues	X	X	X
Real Accounts		X	X



Year-End Preparation Activities

Year-End Preparation Activities

Activities that must be done before closing submodules

- Review encumbrances
- Liquidate encumbrances in reverting appropriations
- Review aging Accounts Receivable
- Reclassify Accounts Receivable in reverting appropriations
- Certain accounts require a fund and BU affiliate or Alt Account. Review Report No. 7, Subsidiaries on File, to validate
 - Accounts that require a fund/BU affiliate must identify the other fund involved in an inter-fund and intra-fund transaction.
 - Accounts that require an Alt Account must identify the related AR.
- Complete transactions
- Refer to Finance Month-End Training - Session I “Pre-Closing Activities” training segment, for additional activities

Year-End Preparation Activities

Activities that must be done after closing submodules

- Ensure Clearing Account has zero balance for all ENYs
- Review Trial Balance Report to identify abnormal General Ledger (GL) account balances and resolve
- Verify on the Trial Balance Report the cash account is correct for the fund category:
 - Shared fund - Account 6590000
 - Non-shared or Enterprise fund – Account 1108000
- Review GL/KK report to identify mismatches between ledgers and resolve
- When creating a FI\$Cal Service Center ticket to correct the subsystem suspense journal, verify that SCO checked the 'Bypass Budget' box on the Journal suspense correction tab. If not, the journal entry will create a GL-KK mismatch
- Complete reconciliations and resolve reconciling items
- Refer to Finance Month-End Training - Session I "Closing Activities" training segment, for additional activities

Cut-off Dates in FI\$Cal

Accounts Receivable (AR) Deposits and Payments Cut-Off Dates

- Deposits must be entered by Friday, June 30, 2:30 p.m.
- AR Payments requiring SCO manual review must be submitted for approval by Monday, June 26, 12:00 p.m.
- AR Payments that meet pre-approval rules must be submitted by Friday, June 30, 12:00 p.m.
- Note: Any AR Payments that miss these cutoffs will have to be updated to FY 2023-24 accounting date and resubmitted starting July 1.

Accounts Receivable Corrections Cut-Off Dates

- AR corrections must be submitted to SCO SARD by Wednesday, June 7, 5:00 p.m.
- For AR corrections that miss the above cutoff date (including those submitted on time but subsequently denied), departments will need to submit a paper Transaction Request form (CA 504) to SCO SARD to be received by Thursday, June 15.

* Refer to FI\$Cal CMO e-mail "For your Information – Year-End Deadlines" dated 5/5/2023.

Cut-off Dates in FI\$Cal

Voucher Cut-Off (AP Module)

- All FI\$Cal vouchers must be approved and submitted to SCO by Thursday, June 15, and must reflect a payment date of June 30, or earlier to ensure processing by June 30.
- FI\$Cal voucher payments for reverting appropriations not submitted to SCO by Thursday, June 15 at 5:00 p.m. may not be approved by SCO by the Friday, June 30 deadline.

GL Journals and Journal Voucher Cut-Off (excluding ORF Replenishment Journal Voucher).

- Departments must submit their journals to SCO SARD by Wednesday, June 7, 5:00 p.m.
- For journals that miss the above cutoff date (including those submitted on time but subsequently denied), departments will need to submit a paper Transaction Request form (CA 504) to SCO SARD to be received by Thursday, June 15, 5:00 p.m.

* Refer to FI\$Cal CMO e-mail "For your Information – Year-End Deadlines" dated 5/5/2023.

Voucher Cut-Off (AP Module)

Voucher Processing Schedule for June

- **By 5:00 p.m. Thursday, June 15**, vouchers must be received by SCO Audits for approval for payments that need to be issued by June 30.

Period	Received by SCO Audits	Acctg Date	Transaction	PO	AP	GL (MOD)	Posting in GL (MOD)
12	by 5:00 p.m. on 6/15/2023	6/12/20XX	PO with Vendor A	1,000.00			
			Vouchers - AP	(300.00)	300.00	300	Expenditure/AP
			Encumbrance Balance	700.00			

* Refer to FI\$Cal CMO e-mail "For your Information – Year-End Deadlines" dated 5/5/2023.

Voucher Cut-Off (AP Module)

Voucher Processing Schedule for June

After 5:00 p.m., Thursday, June 15, through 5:00 p.m., Thursday, June 22, departments may continue to submit FI\$Cal vouchers to SCO Audits for approval, except for reverting appropriations.

All vouchers approved by Department AP Approver II on or before **5:00 p.m. on Thursday, June 22**, will be approved by SCO Audits by Friday, June 30.

Period	Received by SCO Audits	Acctg Date	Transaction	PO	AP	GL (MOD)	Posting in GL (MOD)
12	June 15 - 22* by 5:00 p.m.	6/16/20XX	PO with Vendor B	10,000.00			
			Invoice Rec'd for June Services	(5,000.00)	5,000.00	5,000.00	Expenditure/AP
			Encumbrance Balance	5,000.00			

* Refer to FI\$Cal CMO e-mail "For your Information – Year-End Deadlines" dated 5/5/2023.

Voucher Cut-Off (AP Module)

Voucher Processing Schedule for June

After 5:00 p.m., Thursday, June 22 through Friday, June 30, departments may create new vouchers in FI\$Cal, except for reverting appropriations. Since SCO may not approve vouchers during this period, the accounts payable will not be in the modified accrual ledger. Departments must reconcile the differences between the ledgers for year-end. The year-end Budgetary Legal Ledger (BLL) process will include the payables in the BLL.

For vouchers that are not approved by SCO Audits by Friday, June 30, 2023, and do not need to be recognized as accounts payable for year-end reporting:

- Voucher maybe denied by SCO Audits.
- Departments should monitor voucher status to determine if vouchers require additional action by departments.

Period	Received by SCO Audits	Acctg Date	Transaction	PO	AP	GL (MOD)	Posting in GL (MOD)
12	June 23 - 30* SCO will not approve vouchers	6/28/20XX	PO with Vendor C	2,000.00			
			Invoice Rec'd for June Services	(300.00)	300.00	0.00	No Expenditure/AP
			Encumbrance Balance	1,700.00			

Reverting Year Appropriations

- Appropriations with a 6/30/2023 reversion date must have a zero balance.
 - Plan of Financial Adjustment requests must be received by Thursday, June 15, to allocate all charges in the clearing account.
 - All voucher payments for June must be charged directly to the ultimate funding source(s).
 - Abatements must be credited directly to the ultimate funding source(s) and not to the clearing account.
- Reverting year **Encumbrances** are liquidated, closed, and budget checked in the Purchase Orders (PO) submodule
 - Before period 12 PO submodule is closed, verify all POs for reverting year appropriations are closed (FISCal.243 and FISCal.437).

Information based on the SCO memorandum "Year-End Procedures for Fiscal Year 2021-22," dated 4/20/2023, and CMO email "For your Information - Year End Deadlines," dated 5/5/2023.

Reverting Year Appropriations

- Verify reverting year Accounts Receivable (AR) are reclassified to AR – Other and Provision for Deferred Receivables, before the period 12 AR submodule is closed:
 - All outstanding ARs in reverting appropriations have been reclassified. Year-End Adjusting Entry A-4 (Abatement/Reimbursement)
 - All prior year AR Revenues have been reclassified. Year-End Adjusting Entry A-9 (Revenue)
 - Refer to Updated Auto AR Reclass Phase III - Job Tool located in FI\$Cal Service Now for instructions

Review Encumbrances

Departments must review encumbrance balances per State Administrative Manual (SAM) Sections 8340 and 10608

- Complete Encumbrance Reconciliation
 - Ensure all open FY2022-23 Purchase Orders (PO) are dispatched, and budget checked
 - Ensure the Accounting Date for PO is by June 30
- Analyze PO encumbrances, expenditures, and outstanding balances (FISCal.243 and FISCal.437)
- Validate Encumbrance balances to the Final Budget Report
 - Use the following query and report to review encumbrance balances at month-end and year-end
 - DFAQ_PO_10_ENCUMBRANCE_DTL
 - Final Budget Report (Report No. 6)
- Refer to Finance Month-End Training - Session I, “Encumbrance/Accounts Payable (AP) Reconciliation” training segment for more information.

Clearing Account – Zero Balance

- Allocate clearing account activity to the ultimate funding source by
 - Allocations
 - Labor Distribution
 - Manual GL journal entry*
- Research and correct amounts remaining in the Clearing Account
- Ensure all Clearing Accounts (Program 9999) expense and encumbrance have zero balances in FI\$Cal
- Consider posting reverting year Clearing Account expenditures directly to the ultimate fund.

* If expenditures are not set up for distribution through the allocations process, departments must manually allocate these costs to the ultimate funding source(s) in the GL module. This can be done using SCO Transaction Type CARE and Source 11N.

Clearing Account – Commitment Control

Navigation: Favorites ▾ Main Menu ▾ > Commitment Control ▾ > Review Budget Activities ▾ > Budgets Overview

Inquiry Results

Business Unit 8860
Ledger Group CC_APPROP
Type of Calendar Detail Accounting Period
Amounts in Base Currency USD
Revenue Associated: ☒

[Return to Criteria](#) Max Row [Display Options](#) [Search](#)

Ledger Totals (4 Rows)

Budget	0.00	Net Transfers	0.00
Expense	0.00		
Encumbrance	0.00		
Pre-Encumbrance	130,948.19		
Budget Balance	0.00		
Associate Revenue	0.00		
Available Budget	0.00		

Budget Overview Results [Personalize](#) | [Find](#) | [View All](#) | | First 1-4 of 4 Last

	Ledger Group	Approp Ref	Budget Reference Description	Fund	Fund Code Description	ENY▲	Product Description	Account	Account Description
1	CC_APPROP	001	BA State Operations-Support001	0001	General Fund	2022		50	Appropriated E

Note: After allocation, Program 9999 expense and encumbrance must be zero.

Review Trial Balance

Review Trial Balance Report (BUDLEGAL) to identify and resolve abnormal GL account balances.

FI\$Cal Navigation: **Main Menu > FI\$Cal Processes > FI\$Cal Report > GL Reports > Trial Balance Reports**

If further research is needed:

- Review Ledger Activity Report – Allows user to specify selection criteria to view ledger detail and summary information with drill down capability.

FI\$Cal Navigation: **Main Menu > General Ledger > General Reports > Ledger Activity**

- Queries – Results produced by queries may be too large or take too long to generate. It may require the query to be scheduled for large data.

FI\$Cal Navigation: **Main Menu > Reporting Tools > Query > Schedule Query**

- DFQ_GL_01_JOURNAL_DETAIL
- DFQ_AP_02_VOUCHERS_LISTING
- DFQ_AR_01_PENDING_ITEM_BY_DTL

Refer to MEC Training Session I for details on General Ledger-Trial Balance Reports.

Trial Balance-Normal Account Ending Balances

Account Title	Debit	Credit	Zero balance	Description
1100000-1101200 (Cash)			x	Period 1-12 should all have a zero balance (except CTS fund). Period 998 may have a balance.
1110101 (Intraunit-LD/PFA Alloc)	x	x		May have a debit or credit balance.
1109110 SCO (Interface)			x	If the account has a balance submit a ticket to FSC.
1109200-1109900 (Pending Cash)	x	x		Period 1-11 may have a balance. Period 12 - 998 should have a zero balance. If period 998 has a balance, submit a ticket to FSC.
1200000-19XXXXXX (Assets)	x			
Exception: 1200900 (Refunds Clearing)			x	
Exception: 1240020 Due From Labor Distribution, 1240030 Due From GL Journal, and 1240040 Due From PC Fund Distribution)			x	If period 998 has a balance, submit a ticket to FSC.
Exception: 1290000 (Provision for Deferred Receivables)		x		
2000000-25XXXXXX (Liabilities)		x		
Exception: 2010020 Due To Labor Distribution, 2010030 Due To General Ledger Journal, and 2010040 Due to PC Fund Distribution)			x	If period 998 has a balance, submit a ticket to FSC.
41XXXXXX (Revenue)		x		Revenue refunds may cause a debit balance.
48XXXXXX (Reimbursements)		x		Reimbursement refund may cause a debit balance.
5100000-5999999 (Expenditures)	x			Abatements may cause a credit balance.
Exception: 5390950 (SCO Inbound Interface Department Expenditures)			x	Reclassify the SCO Inbound Interface Department account to the departmental chart fields, leaving a zero balance at least monthly.
Exception: 5620120-5620210		x		
Exception: 5901000 & 5902000 (Refunds & Federal Refunds to Reverted Appropriations)		x		

Refer to COA Crosswalk: [COA Crosswalk Master.xlsx \(live.com\)](#)

General Ledger – Commitment Control Mismatch - Report

Job Aid FISCal.425 provides instructions on identification and resolution.

General Ledger (GL) – Commitment Control Ledgers (KK) mismatches are the balance differences between GL and KK. The variance is typically caused by subsystem transactions/GL Journals that are not successfully posted in GL or KK.

FI\$Cal Navigation: **Main Menu > FI\$Cal Processes > FI\$Cal Reports > GL Reports > GL-KK Mismatch Report**

The screenshot shows the 'GL - KK Mismatch Report' interface. At the top, a breadcrumb trail reads: Favorites > Main Menu > FI\$Cal Processes > FI\$Cal Report > GL Reports > GL - KK Mismatch Report. Below this, the report title 'GL - KK Mismatch Report' is displayed. The interface includes a 'Run Control ID' field with the value 'Report', and links for 'Report Manager', 'Process Monitor', and a 'Run' button. A 'Report Parameters' section contains the following fields: '*Business Unit' with the value '8860', '*Fiscal Year' with the value '20XX', and '*Account Type' with a dropdown menu currently set to 'Expense'. There is also a checked checkbox for 'Run Only for Closed Periods'. At the bottom of the interface, there is a row of buttons: 'Save', 'Return to Search', 'Previous in List', 'Next in List', 'Notify', 'Add', and 'Update/Display'.

Account Type -
Expense or Revenue

Monthly Reconciliations and Reports - Period 12

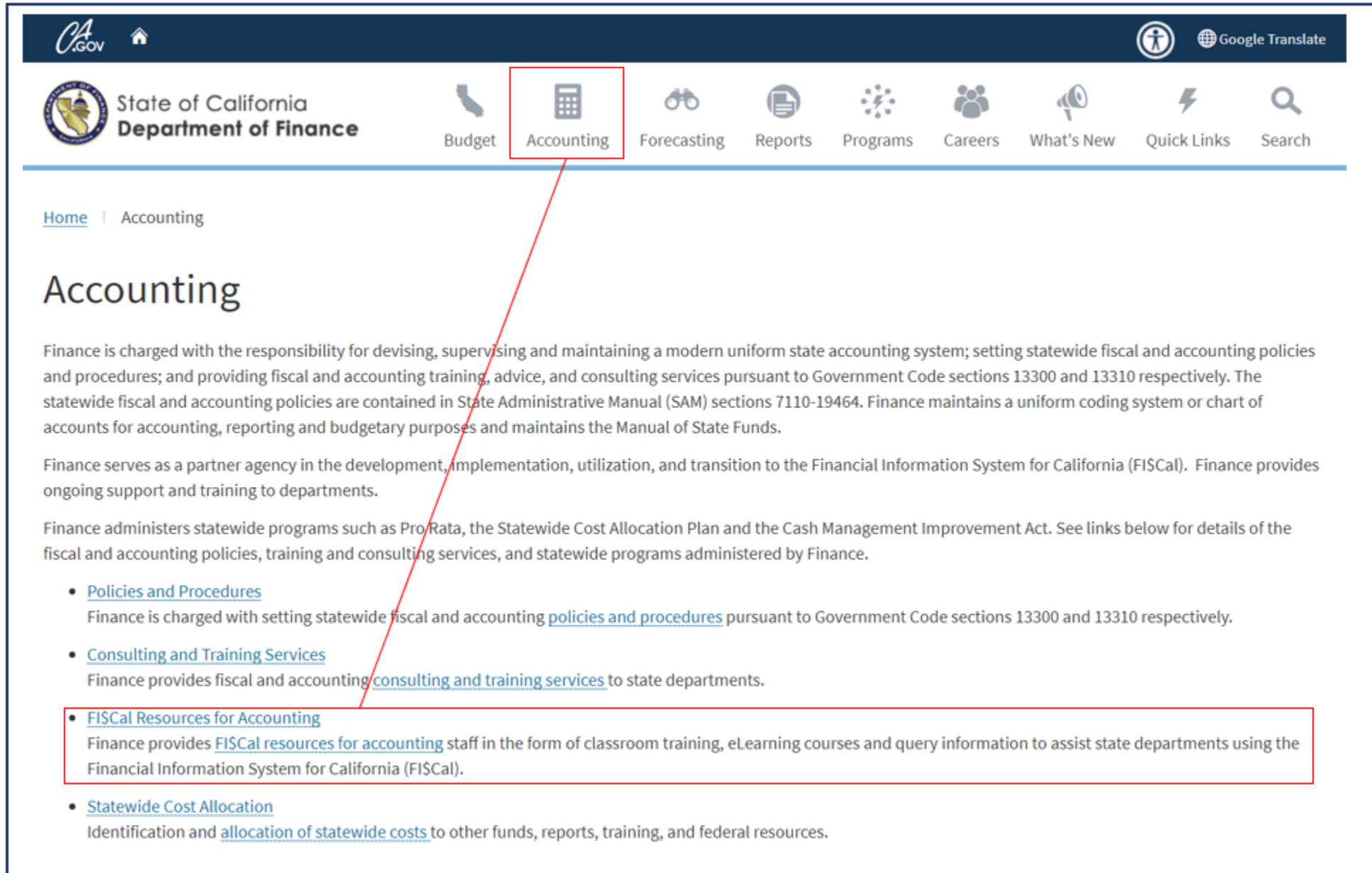
Monthly Reconciliations




SAM Sections 7921-7924 provide some common reconciliations. All reconciliations will be prepared monthly within 30 days of the preceding month, except for property reconciliations.


- Bank Reconciliation (See MEC Session I)
- Revolving Fund Reconciliation (See MEC Session I)
- SCO/Agency Fund Reconciliation (See MEC Session II)
 - Appropriation – Program/ENY/Category/Ref/Fund
- Cash in State Treasury Account Reconciliation (See MEC Session I)
- Deposit in Surplus Money Investment Fund Reconciliation
- Property Reconciliation (See SAM Section 7924)
- Other reconciliations – each department is responsible for completing any reconciliation necessary to safeguard the state's assets and ensure reliable financial data (SAM Section 7901).










All reconciliations should be complete and current prior to posting June 30 year-end activities.

Finance's FI\$Cal Resources



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Accounting

Finance is charged with the responsibility for devising, supervising and maintaining a modern uniform state accounting system; setting statewide fiscal and accounting policies and procedures; and providing fiscal and accounting training, advice, and consulting services pursuant to Government Code sections 13300 and 13310 respectively. The statewide fiscal and accounting policies are contained in State Administrative Manual (SAM) sections 7110-19464. Finance maintains a uniform coding system or chart of accounts for accounting, reporting and budgetary purposes and maintains the Manual of State Funds.

Finance serves as a partner agency in the development, implementation, utilization, and transition to the Financial Information System for California (FI\$Cal). Finance provides ongoing support and training to departments.

Finance administers statewide programs such as Pro Rata, the Statewide Cost Allocation Plan and the Cash Management Improvement Act. See links below for details of the fiscal and accounting policies, training and consulting services, and statewide programs administered by Finance.

- [Policies and Procedures](#)
Finance is charged with setting statewide fiscal and accounting [policies and procedures](#) pursuant to Government Code sections 13300 and 13310 respectively.
- [Consulting and Training Services](#)
Finance provides fiscal and accounting [consulting and training services](#) to state departments.
- [FI\\$Cal Resources for Accounting](#)
Finance provides [FI\\$Cal resources for accounting](#) staff in the form of classroom training, eLearning courses and query information to assist state departments using the Financial Information System for California (FI\$Cal).
- [Statewide Cost Allocation](#)
Identification and [allocation of statewide costs](#) to other funds, reports, training, and federal resources.

Finance's FI\$Cal Resources

Navigation to Query Viewer

Favorites ▾

Main Menu ▾

>

Reporting Tools ▾

>

Query ▾

>

Query Viewer

Query Viewer

Enter any information you have and click Search. Leave fields blank for a list of all values.

*Search By

Query Name ▾

begins with

DFQ%



Search

Advanced Search

Search Results

*Folder View

-- All Folders -- ▾

Query										Personalize Find View All  		First	◀	1-30 of 57	▶	Last
Query Name	Description	Owner	Folder	Run to HTML	Run to Excel	Run to XML	Schedule	Definitional References	Add to Favorites							
DFQ_ALO_01_KK_ACTIVITY	MEC Allocations	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							
DFQ_AP_01_EXP_ACCRUAL	AP Expenditure Accrual	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							
DFQ_AP_02_VOUCHERS_LISTING	List of AP Voucher w/ Pmt Info	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							
DFQ_AP_03_FEDERAL_ACTIVITY	Federal Vouchers for Draw	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							
DFQ_AP_04_SUPPLIER_SEARCH	List of Suppliers	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							
DFQ_AP_05_VOUCHER_BUILD_ERROR	Voucher Build Error	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							
DFQ_AP_06_VOUCHER_ACCTG_TRANS	Voucher Accounting Transaction	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							
DFQ_AP_07_SPEEDCHARTS	SpeedCharts - (AP & PO)	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							
DFQ_AP_08_BOE_USE_TAX	Vouchers with Use Tax (BOE)	Public	DOF	HTML	Excel	XML	Schedule	Lookup References	Favorite							

Review period 12 Reports

- Statement of Revenue, Report No. 4
 - Current Year revenue should be positive on the report
- Final Budget Report, Report No. 6
 - Review for overspent appropriation or unappropriated cost
 - Reverted appropriation encumbrance must be zero
 - Reverted appropriation “Balance” should equal the SCO JE# RV XXXX
- Pre-Closing Trial Balance, Report No. 7*
 - Abnormal account balance
 - Use of incorrect account/fund
- Subsidiaries on File, Report No. 7*
 - Verify the four-digit subsidiary business unit (Affiliate) and four-digit fund number (Fund Affiliate) reflect the general account used to identify the other fund involved in an inter-fund and intra-fund transaction.
- Statement of Changes in Capital Assets, Report No. 18
 - Review the Departmental Adjustment Ledger for correct asset balances
- Trial Balance Report*
 - Verify beginning balance equals the prior year's Trial Balance account ending balance
 - Verify on the Trial Balance Report the cash account is correct for the fund category:
 - Shared Fund - Account 6590000
 - Non-Share or Enterprise Fund – Account 1108000

* Starting July 2022, departments will use ledger **BUDLEGAL**.

Tips for Successful Year-End

- Establish the cut-off date for processing reverting year items through Clearing Account and which fund(s) will be the ultimate funding source.
- Complete and review all reconciliations (SAM Chapter 7900).
- Review period 12 Trial Balance and resolve abnormal balances.
- Confirm the department's Due To/Due From balances match with the other BU/Fund involved in inter-fund and intra-fund transactions.
- Review encumbrances and receipts to determine if items will need to be adjusted or reclassified prior to period 998.
- Communicate departmental submission deadlines for travel along with directions as to what to do after the deadline.
- Meet with the departmental Human Resources office to determine if there will be a payroll accrual.
- Review the SCO Year-End Procedure memo, BAC#22-001, for SCO's deadlines.
- Review FI\$Cal CMO email, dated 5/5/2023, "For Your Information - Year-End Deadlines" for year-end system deadlines.

Tips for Successful Year-End

- Create and implement Year-End Work Plan (See slide 31 for examples).
- Regularly meet with staff to discuss Work Plan and roles and responsibilities and to communicate progress.
- Review vacation schedule to ensure staff availability for year-end processes.
- Review interagency electronic transfers and invoices that are posted in the new fiscal year for the closing fiscal year. These items will need to be accrued.
- Document Journal ID numbers on all source materials and retain for audit purposes.
- Ensure adjustments are posted in the correct accounting period.

Note: Work plans and reconciliations may be subject to review by the Department of Finance, State Controllers Office and the California State Auditor. Upon request, departments must provide a copy of their year-end work plan to Finance.

Year-End Work Plan and FI\$Cal Timeline of Activities

Year-End Work Plan

- Begins as early as March through the completion of year-end close.
- Is customized based on specific needs, activities, and business processes developed by the department coordinator.
- Must identify specific MEC/YEC activities, due dates and unit/person responsibilities, date completed, and a section for comments. The activities are required to meet the year-end financial report due dates.
- Is an essential tool in planning, monitoring, and documenting financial activities to ensure the timely completion of monthly reconciliations and year-end financial reports.
- Finance's website provides a [work plan](#) example.

Example: Year-End Work Plan

2022-23 YEAR-END WORK PLAN					
#	Activity	Due Date	Responsibility	Date Completed	Comments
33.	Prepare Labor Distribution Configuration Change Request for changes in new year, if applicable	6/5/2023	Department		Labor review with Personnel and Budget Office and allocation with Budget Office.
34.	Year-end meetings	6/6/2023	A.O.		Ongoing
35.	Run LD for Period 11	6/7/2023	Department/LD Unit		
36.	Last day to post in Period 11	6/8/2023	AR, AP, PO, GL Units		
37.	Run Outstanding Transaction Queries	6/9/2023	Department		Job Aid 009 (Run the Month End Process)
38.	Year-End Adjusting Entry Identify A-9 Revenue Accruals for reclassification of prior year revenue receivable to a deferred receivable	6/9/2023	Accounting Office		For YE adjusting entries, refer to Finance eLearning Year-End Training, Presentation - Session 1, See link below
					YE - A-9 Accrue Revenue (ca.gov)
39.	Review and ensure all Items are posted. Main Menu > Accounts Receivables > Pending Items > Review Items > Group Not Set to Post	6/9/2023	Department		There should be no pending AR items at month-end
40.	Request FSC to Close sub-modules for Period 11	6/9/2023	Department/FSC		
41.	Run CA for Period 11	6/12/2023	Department/GL		Reminder: Review reverting appropriations for allocation transactions. If applicable prepare a final PFA Transaction Request letter. Verify Clearing Account in Budget Overview is zero for all ENYs

Most lines have been hidden for training purposes. This tool will be helpful to have a successful year-end.

Year-End Activities

- Run labor distribution, close submodules, run allocation process, close period 12, and reconcile
- Run the automated BLL Cash Reclassification Application Engine to generate and post monthly cash reclassification entries.
 - The net amount of Accounts 6510000/6520000 is reclassified directly to Account 1108000 for non-shared funds, 6590000 for shared funds, and 1120100, if applicable.
- Open period 998, post accruals, run allocation process, and post Plan of Financial Adjustment Reclassification
- Perform preliminary reconciliation, close period 998 and request to build Budgetary Legal Ledger (BLL)
- AP Encumbrance reclass from Account 2000300 to Liability accounts. Account 2000300 must be \$0 at year-end.
- Post encumbrance reclassification to DEPTADJ ledger only
- Close BLL
- Complete all BLL final reconciliations
- Request FSC to run the YEC process
- Prepare financial reports
- Job Aid FISCal.258 Running the Year-End Close Process

Year-End Adjusting Entries Overview

eLearning

<https://dof.ca.gov/accounting/fiscal-resources-for-accounting/>

FI\$Cal Resources for Accounting

The Department of Finance, Fiscal Systems and Consulting Unit (FSCU) provides classroom training, eLearning courses and query information to assist state departments using the Financial Information System for California (FI\$Cal).

Year End (YE)

- Year End Accrual Entries (YE-A)
 - [YE – A-1 Record Undeposited Receipts](#) [PDF](#) (8/18/2022)
 - [YE – A-2 Adjust ORF and Cash](#) [PDF](#) (9/9/2022)
 - [YE – A-3 Accrue Reimbursements and Abatements](#) [PDF](#) (9/9/2022)
 - [YE – A-4 Manually Reclassify AR Abatements and Reimbursements for Reverted Appropriations](#) [PDF](#) (9/8/2022)
 - [YE – A-6 Record Receivables Due from SMIF and Condemnation Deposits](#) [PDF](#) (8/17/2022)
 - [YE – A-8 Accrue Accounts Payable with No Open Purchase Orders](#) [PDF](#) (9/7/2022)
 - [YE – A-8 Accrue Accounts Payable Open Purchase Orders](#) [PDF](#) (10/13/2021)
 - [YE – A-9 Accrue Revenue](#) [PDF](#) (10/10/2022)
 - [YE – A-10 – Adjustment for Dishonored Checks](#) [PDF](#) (9/14/2022)
 - [YE – A-12 Establish Reserve for Deferred](#) [PDF](#) (8/16/2022)
 - [YE – Encumbrance Liability Reclassification](#) [PDF](#) (8/18/2022)
 - [YE – Cash Recognition Process](#) [PDF](#) (11/18/2022)
 - [YE – PFA – Record Year-End Plan of Financial Adjustment](#) [PDF](#) (8/13/2021)

Recording Adjusting Journal Entries

Unless otherwise stated, FI\$Cal Year-End Adjusting Journal Entries are posted in the GL Module in Period 998 – Adjusting Period using:

- Direct entry into FI\$Cal – for single or simple transactions.
 - Job Aid FISCal.188 – Create a New Journal Entry
- Or the Spreadsheet Journal Upload – for multiple transactions.
 - Job Aid FISCal.001 – General Ledger Spreadsheet Journal Upload

Header Criteria

Favorites ▾					Main Menu ▾					>					General Ledger ▾					>					Journals ▾					>					Journal Entry ▾					>					Create/Update Journal Entries				
Header										Lines										Totals										Errors										Approval									
<p>Journal Date: 06/30/20XX Journal Description: (consistent naming convention) Ledger Group: MODACCRL or DEPTADJ Source*: ACC, ACJ, ENR, ECM Adjusting Entry*: Adjusting Entry Period*: 998</p>																																																	

***System defaults blank Source, Non-Adjusting Entry, and current period. Changing Non-Adjusting Entry to Adjusting Entry will change the period to 998.**

Sample of Posting Adjusting Journal Entries

Favorites ▾ Main Menu ▾ > General Ledger ▾ > Journals ▾ > Journal Entry ▾ > Create/Update Journal Entries

Header Lines Totals Errors Approval

Business Unit 8860 Department of Finance Journal ID NEXT Journal Date 06/30/20XX

Journal Description/Legal Authority and Reason for Request A3 - Accrue AR Reimb (Program June SME's) 213 characters remaining

*Ledger Group MODACCRL Ledger SCO Type of Transaction

*Source ACC

Reference Number/SCO TC Journal Class PS TC GL SJE Type

Adjusting Entry Adjusting Entry

Fiscal Year 20XX Period 998

ADB Date 06/30/20XX

☐ Auto Generate Lines

☐ Save Journal Incomplete Status

☐ Autobalance on 0 Amount Line

☐ CTA

Currency Defaults: USD / CRRNT / 1

Attachments (1)

Reversal: Beginning of Next Period

Commitment Control

Journal Entry Auto-Reversal Functionality

Departments can use the journal entry auto-reversal functionality for reversing year-end accrual entries in the new year.

The screenshot shows the 'Journal Entry Reversal' dialog box. The 'Reversal' section has the following options:
☐ Do Not Generate Reversal
☒ Beginning of Next Period
☐ End of Next Period
☐ Next Day
☐ Adjustment Period
☐ On Date Specified By User
Below these are fields for 'Adjustment Period' and 'Reversal Date'.
The 'ADB Reversal' section has:
☒ Same As Journal Reversal
☐ On Date Specified By User
With an 'ADB Reversal Date' field.
At the bottom are 'OK', 'Cancel', and 'Refresh' buttons.
In the background, the 'Create/Update Journal Entries' form is visible. It includes fields for 'Business Unit' (3790), 'Dept of Parks & Recreation', 'Journal ID' (NEXT), and 'Journal Date' (06/30/2021). The 'Reversal: Do Not Generate Reversal' option is highlighted with a red box.

The auto-reversal functionality also assists departments with reconciliations since the reversal and original journal entries share the same journal ID.

This functionality cannot be used for journals entered with Source ECM.

Note: Departments still have the option to manually reverse accruals in period 1.

Year-End Adjusting Entry Sources

ACC – For standard year-end accrual entries and only if the entries will be reversed in the new year.

ACJ – For year-end related accrual entries that will **not be reversed** in the New Year.

ENR – To accrue reimbursement receivables associated with encumbrances.

ECM – To set up encumbrance-only journals.

ACX – For non-year-end related entries during periods 1-998 that may not need to be reversed. It should not be used for any transactions involving cash movement between funds and appropriations.

Tips for Tracking Adjusting Journal Entries

➤ Consistent Naming Convention

- Using consistent naming conventions can help users to quickly identify and tie a transaction with its purpose.

➤ Entry Log

- An entry log can be used for research, to keep staff informed, and is easily customizable.
- Sample:

20XX-XX Year End Entries Log									
Date Entered	Date Posted	User's Initials	Journal ID	Approp Ref	Fund	ENY	Prog	Amount	Transaction Description A-Entries
7/11/20XX	7/12/20XX	AA	0000449018	001	0001	20XX	6775	213,465.01	A3 Accrue AR Reimb (Program June SME's)
7/12/20XX	7/12/20XX	AA	0000449018	001	0001	20XX	6775	11,674.34	A3 Accrue AR Reimb (Program June SME's)
7/12/20XX	7/12/20XX	AA	0000449018	001	0001	20XX	6775	24,649.72	A3 Accrue AR Reimb (Program June SME's)
7/12/20XX	7/12/20XX	AA	0000449018	001	0001	20XX	6785055	33,990.27	A3 Accrue AR Reimb (Program June SME's)
7/18/20XX	7/18/20XX	BB	0000452485	001	0001	20XX	6800	85,451.50	A8 JUS000142 June Services
7/18/20XX	7/18/20XX	BB	0000452485	001	0001	20XX	6790	29,845.20	A8 JUS000142 June Services
7/18/20XX	7/18/20XX	BB	0000452485	001	0001	20XX	6790	22,514.80	A8 JUS000142 June Services

Note: Dfq_GL_01_JOURNAL_DETAIL can also be downloaded in Excel and sorted for research purposes.

Year-End Journal Entries

Additional Resources

- Year-End eLearning Courses – Finance FI\$Cal Training webpage:
<https://dof.ca.gov/accounting/fiscal-resources-for-accounting/>
- Job Aid FISCal.001 – General Ledger Spreadsheet Journal Upload
- SCO memorandum – Year-End Procedures for Fiscal Year 2022-23
- FI\$Cal CMO e-mail – “For Your Information – Year-End Deadlines” dated 5/5/23

Year-End Adjusting Entries

Year-End Adjusting Entries

The standard adjusting entries required at year-end are illustrated in **SAM Sections 10600-10615**. They are designated as A-1 through A-13 entries, and include:

YE – A-1 Record Undeposited Receipts

YE – A-2 Adjust ORF and Cash

YE – A-3 Accrue Reimbursements and Abatements

YE – A-4 Manually Reclassify AR Abatements and Reimbursements for Reverted Appropriations

YE – A-6 Record Receivables Due from SMIF and Condemnation Deposits

YE – A-8 Accrue Accounts Payable (With and Without Open Purchase Orders)

YE – A-9 Accrue Revenue

YE – A-10 Adjustment for Dishonored Checks

YE – A-12 Establish Reserve for Deferred Receivables

Other Year-End Adjusting Entries

A-1 Record Undeposited Receipts

The A-1 entry is made to record receipts not deposited as of June 30 to recognize the actual amount of Cash on Hand in the agency/department's ultimate fund.

- The A-1 entry will be posted to the ultimate fund(s) in period 998 within the GL module.
- A-1 entries are **reversed** in the new fiscal year.

To Record Undeposited Receipts

Debit 1100000 Cash on Hand

Credit 12XXXXXX Accounts Receivable

Credit 205XXXX Revenue/Reimbursements Received in Advance

Credit 2090110 Uncleared Collections – State Fund

Credit 41XXXXXX Revenue

Credit 48XXXXXX Reimbursements

Credit 5XXXXXX Appropriation Expenditures

A-2 Adjust Revolving Fund Cash

The A-2 entry adjusts the Revolving Fund Cash account so that department accounts will show the actual amount of Revolving Fund Cash as of June 30 in the department's advancing fund. In FI\$Cal, Revolving Fund activities are recorded in the department's CTS Fund. At year-end, adjusting entries are made in the advancing fund to record the following:

Revolving Fund Cash balance and activities

- Record the A-2 entries in period 998 within the GL module.

To Record Year-End Revolving Fund Cash

Debit 1101200 Revolving Fund Cash

Credit 1222100 Advances to Agency & Office Revolving Funds

- This entry is **not reversed** in the new fiscal year

To Record Year-End Expense Advances

Debit 1301100 Expense Advances

Credit 1101200 Revolving Fund Cash

To Record Cash on Hand

Debit 1100000 Cash on Hand

Credit 1101200 Revolving Fund Cash

To record amount of any unreimbursed Revolving Fund advances that are accrued as expenditures via the A-8 entry

Debit 2000100 Accrued Payables

Credit 1101200 Revolving Fund Cash

- These entries are **reversed** in the new fiscal year.

A-2 Adjust Revolving Fund Cash

Sample of Trial Balance Report by Period

Report ID:	ZGL111	FI\$Cal	Page No: 1		
DEPARTMENT OF FINANCE Trial Balance Report by Period					
Business Unit	: 8860			As Of:	6/30/20XX
Ledger:	BUDLEGAL				
Fiscal Year:	20XX				
Period From:	12	To Period:	12		
Fund Range:	000000244 to 000000244				
Fund:	244	General Checking/Rev Fund			
SubFund:	244				
ACCOUNT	ACCOUNT_TITLE	BEGINNING BALANCE	DEBITS	CREDITS	ENDING BALANCE
1100000	Cash on Hand	100.00	0.00	0.00	100.00
*1101000	General Cash - CTS Accounts	1,475.00	4,484.00	4,484.00	1,475.00
1101200	Revolving Fund Cash	185,647.24	21,984.71	12,383.50	195,248.45
1109200	Pending Cash Transfers - AP	0.00	24,615.96	24,615.96	0.00
1109300	Pending Cash Transfers - AR	0.00	451.31	451.31	0.00
1200375	AR - CalATERS Adv Repl in Proc	0.00	0.00	0.00	0.00
1200900	Refunds Clearing	0.00	0.00	0.00	0.00
1200910	NSF Receipts Clearing	0.00	0.00	0.00	0.00
1240000	Due From Other Funds	0.00	0.00	0.00	0.00
1301100	Expense Advances	12,093.00	10,763.50	19,406.50	3,450.00
1301200	Travel Advances	375.00	1,800.00	1,607.18	567.82
1301300	Salary Advances	1,784.76	1,151.03	2,302.06	633.73
2000000	Accounts Payable - Control	0.00	19,319.18	19,319.18	0.00
2010000	Due to Other Funds	(200,000.00)	0.00	0.00	(200,000.00)
2021000	Due to Local Governments	0.00	630.00	630.00	0.00
2024000	Due to Other Govt Entities	0.00	0.00	0.00	0.00
*2090050	Unapplied Receipts	(1,385.00)	2,000.00	2,000.00	(1,385.00)
*2090100	Uncleared Collections-CTS Fund	(90.00)	3,284.00	3,284.00	(90.00)
Total Fund:	244	0.00	90,483.69	90,483.69	0.00
Total:			90,483.69	90,483.69	

* Refer to "Accrue Unremitted Deposits" on slide 75 for posting Uncleared Collections to the Ultimate Funds.

A-2 Adjust Revolving Fund Cash

Revolving Fund Reconciliation per SAM Section 7922

Year-End Revolving Fund Reconciliation and Adjusting Entries (A-2)						
June RF Reconciliation Period 998					Advancing Fund Adj Entries Period 998	
GLAN	Account Title	Balances per Trial Balances	Total Balance Forward	Entry #	Debit	Credit
Cash:						
1101200	Cash Book Balance	195,248.45				
1100000	Cash on Hand (Petty Cash allocation)	100.00		3	1100000	1101200
			<u>195,348.45</u>			
Advances:						
1301100	Expense Advances	3,450.00				
1301200	Travel Advances	567.82				
1301300	Salary Advances	633.73				
	Less:					
	Advances reduced by amount accrued (A-8 entries).					
	This reduces the ending balance	<u>(3,450.00)</u>	<u>1,201.55</u>	1	1301100	1101200
	Revolving Fund Expenditures not vouchered for reimbursement by June 30 (Accrued via A-8 as expenditures in advancing fund)		<u>3,450.00</u>	2 (A-8)	2000100	1101200
TOTAL - Amount of revolving fund withdrawn from appropriation			200,000.00	4	1101200	1222100

A-2 Adjust Revolving Fund Cash

Year-End Revolving Fund Reconciliation and Adjusting Entries (A-2)

Journal entries 1-3 must use source **ACC**

Entry #	Unit	Ledger	Approp Ref	Fund	ENY	Account	Amount	Budget Date	Journal Line Description
1	8860	MODACCRL	001	0001	20XX	1301100	1,201.55	6/30/20XX	Expense Advances
	8860	MODACCRL	001	0001	20XX	1101200	(1,201.55)	6/30/20XX	Revolving Fund Cash
2	8860	MODACCRL	001	0001	20XX	2000100	3,450.00	6/30/20XX	Accrued Payables
	8860	MODACCRL	001	0001	20XX	1101200	(3,450.00)	6/30/20XX	Revolving Fund Cash
3	8860	MODACCRL	001	0001	20XX	1100000	100.00	6/30/20XX	Cash on Hand
	8860	MODACCRL	001	0001	20XX	1101200	(100.00)	6/30/20XX	Revolving Fund Cash

Journal entry 4 must use source **ACJ**

4*	8860	MODACCRL	001	0001	20XX	1101200	200,000.00	6/30/20XX	Revolving Fund Cash
	8860	MODACCRL	001	0001	20XX	1222100	(200,000.00)	6/30/20XX	Adv to Agency & Off Rev Funds

***DO NOT Reverse on July 1**

1. Record year-end expense advances
2. Reduce AP by amounts previously paid by Revolving Fund
3. Record Cash on Hand
4. Record year-end Revolving Fund Cash

A-2 Adjust Revolving Fund Cash

New Year Revolving Fund Entry

- Journal entry must use source **REC**.

Unit	Ledger	Approp Ref	Fund	ENY	Account	Amount	Budget Date	Journal Line Description
8860	MODACCRL	001	0001	20XX	1222100	200,000.00	07/XX/20XX	Adv to Agency & Off Rev Funds
8860	MODACCRL	001	0001	20XX	1101200	(200,000.00)	07/XX/20XX	Revolving Fund Cash

- The GL Journal Processor will also record the following entry as part of the A-2 entries to record New Year Revolving Fund Cash in the Advancing Fund to match SCO JE# RF0000XX.
- The journal date will be 07/XX/XX of the new fiscal year. Enter as SCO Type Transaction RECL, Source REC, Non-Adjusting Entry, and period 1. The ENY in the journal lines will be the new fiscal year.

A-3 Accrue Reimbursements and Abatements

Reimbursement and abatement receivables are amounts due to the department at year-end but not yet recorded and should be accrued. The accounts used to record accruals are the same that are used during the year to establish receivables as abatements or reimbursements.

- Record the A-3 entries in period 998 within the GL module.
 - Entry 1 – Use the GL source “ACC” to accrue reimbursement and abatement invoices.
 - Entry 2 – Use the GL source “ENR” for encumbrances funded by accrued reimbursements. The “ENR” source will be useful in identifying the encumbrance amounts for preparing Report No. 1, Report of Accruals to Controller’s Accounts.
- A-3 entries are **reversed** in the new fiscal year.

A-3 Accrue Reimbursements and Abatements

Record Billing of Abatements

Debit 1200100 Accounts Receivable Abatements

Debit 126XXXX Due From Other Governments

Debit 124XXXX Due From Other Funds /Appropriations*

Credit 5XXXXXX Appropriation Expenditures*

Record Billing of Reimbursements

Debit 1200050 Accounts Receivable Reimbursements

Debit 126XXXX Due From Other Governments

Debit 1260000 Due From Federal Government

Debit 124XXXX Due From Other Funds/Appropriations*

Credit 44XXXXX Federal Government Receipts (Federal Trust Fund only)

Credit 48XXXXX Reimbursements*

*Journal lines posted to Account 124XXXX – Due From Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. The Affiliate and Fund Affiliate should be on both the debit and credit lines.

A-3 Accrue Reimbursements and Abatements

Encumbrances funded by reimbursements

Departments should prepare separate entries using source ENR to accrue reimbursement receivables resulting from encumbrances. The source ENR will be useful in identifying the encumbrance amounts to be reported on Report No. 1, Report of Accruals to Controller's Accounts.

- Run the DFQ_KK_16_REIMB_RECON query. This query extracts data from the KK utilizing project costing for reimbursement reconciliations to determine encumbrance amounts funded by reimbursement.
- Include period 998 to capture the A-8 activities.

DFQ_KK_16_REIMB_RECON - By Project & Activity

*Business Unit

*Fiscal Year

*Period From

*Period To

ENY~(Blank for All)

Fund~(% or Blank for All)

Project~(% or Blank for All)

Activity~(% or Blank for All)

A-3 Accrue Reimbursements and Abatements

To determine the amounts for the A-3 entry, run the **DFQ_KK_16_REIMB_RECON** query for the expenditure, encumbrance, and revenue/reimbursement ledgers.

- **C_DTL_REC** – Detail Revenue/Reimbursement Recognized Ledger
- **C_DTL_EXP** – Detail Expense Ledger
- **C_DTL_ENC** – Detail Encumbrance Ledger

ENY	20XX						
Approp Ref	001						
Fund	0001						
Sum of Sum Amount		Ledger					
Program	Project	Activity	C_DTL_REC	C_DTL_EXP	C_DTL_ENC	Grand Total	
6770028	0000000000000643	0000000000000001	(1,422,355.00)	1,422,355.00		0.00	
		0000000000000002	(69,578.00)	69,578.00		0.00	
	0000000000000645	0000000000000001	(93,716.00)	93,716.00		0.00	
		0000000000000002	(204,998.00)	204,998.00		0.00	
		0000000000000003	(159,291.00)	159,291.00		0.00	
6775	0000000000000651	0000000000000001	(2,179,954.45)	2,513,316.77	333,362.32		
6780	0000000000000652	0000000000000001	(6,654,488.37)	6,673,788.37	386.40	19,686.40	
6785019	0000000000000653	0000000000000001	(1,264,157.38)	1,264,157.38		0.00	
Grand Total			(12,048,538.20)	12,401,200.52	386.40	353,048.72	

PivotTable Fields
Choose fields to add to report:
Search
Ledger
Business Unit
ENY
Approp Ref
Fund
Activity
Drag fields between areas below:
FILTERS: ENY, Fund, Approp Ref
COLUMNS: Ledger
ROWS: Program, Project, Activity
VALUES: Sum of Sum ...

A-3 Entries:	
Expenditures (ACC)	\$19,300.00
Encumbrances (ENR)	<u>386.40</u>
Total	\$19,686.40

Columns C_DTL_REC minus the C_DTL_EXP equals the source ACC amount and the column C_DTL_ENC equals the ENR amount .

A-3 Accrue Reimbursements and Abatements

Journal lines posted to Account 124XXXX – Due From Other Funds/Appropriations should include values in the “**Affiliate**” (BU) and “**Fund Affiliate**” fields.

Favorites ▾ Main Menu ▾ > General Ledger ▾ > Journals ▾ > Journal Entry ▾ > Create/Update Journal Entries

Header Lines Totals Errors Approval

Line	Approp Ref	Fund	ENY	Account	Alt Acct	Program	PC Bus Unit
1	001	0001	20XX	1240000	1240000000	6780	8860
2	001	0001	20XX	4810000	4810000000	6780	8860

Line	Project	Activity	Rptg Structure	Affiliate	Fund Affil	Amount	Budget Date
1	000000000000652	000000000000001	88606300	3790	3238	19,300.00	06/30/20XX
2	000000000000652	000000000000001	88606300	3790	3238	-19,300.00	06/30/20XX

A-3 Accrue Reimbursements and Abatements

Sample of year-end Report No. 7, Subsidiaries on File with system-generated information, including affiliate and fund affiliate sections.

REPORT 7 - SUBSIDIARIES ON FILE
Department of Finance - 8860
Fund 0001
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit : 8860 - Department of Finance
Fund : 0001 - General Fund
Subfund :

Report ID : RPTGL354
Run Date : 07/13/20XX
Run Time : 18:16:31
Adjustment Period : 998
Ledger: BUDLEGAL

GLAN	ACCOUNT TITLE					
	SUB SIDIARY	SUBSIDIARY	SUBSIDIARY	SUB SIDIARY		
	FUND/ACCOUNT	FUND/ACCOUNT TITLE	BU SINESS UNIT	BUSINESS UNIT TITLE	DEBITS	CREDITS
1410	DUE FROM OTHER FUNDS					
	3238	St Prk Revenue Incentive	3790	Dept of Parks & Recreation	19,300.00	

A-3 Accrue Reimbursements and Abatements

Accrue any over-collected reimbursement which will be refunded after June 30.

Record Over-Collected Reimbursements

Debit 4400000 Federal Government Receipts

Debit 48XXXXXX Reimbursements*

Credit 201XXXX Due To Other Funds/Appropriations*

Credit 2020000 Due Federal Government

Credit 2000100 Accrued Accounts Payable

*Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

A-4 Manually Reclassify AR Abatements and Reimbursements for Reverted Appropriations

Receivable items for reverting appropriations must be reclassified to Account 1209900-AR–Other and offset by Account 1290000-Prov for Deferred Receivables.

- Record the A-4 entry in period 12 before the AR Module is closed.
- A-4 entries are **not reversed** in the new fiscal year.

For manual processing follow the instructions below:

The department will create a \$0 Pending Item Group with two transactions within the group.

Transaction 1: Reverse the original AR open item using Credit AR process in the AR module:

Debit 48XXXXX Reimbursement
Debit 5XXXXXX Appropriated Expenditure (Abatement)
Credit 12XXXXX Accounts Receivable

Transaction 2: Create a second transaction in the group with positive amount:

Debit 1209900 Accounts Receivable – Other
Credit 1290000 Provision for Deferred Receivables*

Through this process, Transaction 1 will have a \$0 balance and hence be closed. However, Transaction 2 has the reclassified accounts and will maintain the original Item ID for payment.

*Add the standardized Alternate Account 1209900998 to ensure that the Provision for Deferred Receivables does not exceed the amount of the related accounts receivable recorded in the system. This will be system-generated on the year-end Report 7, Subsidiaries on File.

Note: Refer to the Updated Auto AR Reclass Phase III – Job Tool located in the FI\$Cal Service Now for the automated reclassification processing instructions.

A-6 Record Receivables Due From SMIF and Condemnation Deposits Fund for Interest Earnings

The A-6 entry records the receivables due from the Surplus Money Investment Fund (SMIF) and the Condemnation Deposits Fund for interest earnings as of June 30.

- Record interest earned as of June 30
- Source document is SCO Notice of Transfer journal
- Record the A-6 entry in period 998 within the GL module
- A-6 entries are **reversed** in the new fiscal year
- In the new year, the journal will be posted to FI\$Cal through the SCO interface

To record SMIF Interest Due

Debit 1240000 Due from Other Funds*

Credit 4163000 Investment Income – Surplus Money Investment*

Credit 4160000 Investment Income – Condemnation Deposits Fund *

*Journal lines posted to account 124XXXX – Due from Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” fields. The Fund Affiliate for Due From Surplus Money Investment Fund is 0681, and Due From Condemnation Deposits Fund is 0910. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

A-8 Accrue Accounts Payable

In FI\$Cal, three accounting events accrue amounts for valid encumbrances and expenditure obligations:

1. Open purchase orders budget checked and dispatched as of June 30.
2. Vouchers entered and budget checked in the AP module (within the commitment control ledger) through period 12, but not scheduled for payment before June 30.
3. Adjusting entry journal(s) in the GL module within the MODACCRL ledger in period 998 for any valid obligations (goods or services) received/performed but not vouchered for payment by June 30.

The third accounting event is the A-8 accrual entry. The A-8 entry accrues expenditures for valid encumbrances (commitments) and obligations for the fiscal year just ended. Departments will analyze invoices at year-end and accrue any that are due as of June 30 but not yet paid.

- A-8 Accrue Accounts Payable (No Open Purchase Orders)
 1. Record A-8 Expenditure Obligation Accrual
- A-8 Accrue Accounts Payable (Open Purchase Orders)
 1. Record A-8 Expenditure Obligation Accrual
 2. Record Encumbrance Reduction

A-8 Accrue Accounts Payable (No Open Purchase Orders)

The A-8 entry accrues actual and estimated expenditures as Accrued Accounts Payable or Due To for goods and services received by June 30 but not scheduled for payment by June 30.

- Record the A-8 entries in period 998 within the GL module.
- A-8 entries are **reversed** in the new fiscal year.

Private – *Corporations, Exempt Corps, Individual/Sole Proprietor, Partnerships, Estate of Trust, or Employee*

Debit 51XXXXX Personal Service (Payroll)

Debit 53XXXXX Operating Expense and Equipment

Credit 2000100 Accrued Accounts Payable

Other Funds/Appropriation – *CA State Departments including CSU and Trustees*

Debit 53XXXXX Operating Expense and Equipment*

Credit 2010000 Due to Other Funds*

Credit 2011000 Due to Other Appropriations*

*Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

A-8 Accrue Accounts Payable (No Open Purchase Orders)

Other Governmental Entities

Debit 53XXXXX Operating Expense and Equipment

Credit 2020000 Due to Federal Government

Credit 2021000 Due to Local Governments (Local Government Agencies including Cities and Counties)

Credit 2024000 Due to Other Governmental Entities (Other Governmental Agencies including School Districts, Community Colleges, UC/Regents and other State Governments)

A-8 Accrue Accounts Payable (Open Purchase Orders)

The A-8 entry will **debit** an expenditure account and **credit** a current liability account. However, the encumbrance reduction will **debit** the liability account and **credit** the expenditure account. Below are the two entries:

- Record the A-8 entries in period 998 within the GL module.
- Both A-8 expenditure accrual and encumbrance reduction journals are **reversed** in the new fiscal year.

1. A-8 Entry for Expenditure Obligation Accrual (Source ACC)

Debit 53XXXXX Operating Expense and Equipment*

Credit 2000100 Accrued Accounts Payable

Credit 201XXXX Due to Other Funds/Appropriations*

Credit 202XXXX Due to Other Governments

2. Encumbrance Reduction Entry (Source ECM)**

Credit 53XXXXX Operating Expense and Equipment

* Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

** Use Source ECM to set up the encumbrance journal. (Using this source will assist with reconciliations.) The encumbrance reduction entry must pass the budget check and decrease encumbrances in the commitment control. Departments are responsible for reclassifying the AP to the appropriate Due To liability accounts by recording the Encumbrance Reclassification.

A-8 Accrue Accounts Payable (Open Purchase Orders)

1. A-8 Entry for Expenditure Obligation Accrual

Debit 53XXXXX Operating Expense and Equipment

Credit 20XXXXX Liabilities

- Source ACC.
- Journal Status and Budget Status will be Posted "P" and Valid "V" respectively after this journal has passed budget check, approved, and posted.

Header: Unit 8860, Journal ID 0000500655, Date 06/30/20XX, Template List, Search Criteria, Change Values, View Audit Logs, Inter/intraUnit, *Process Edit Journal, Process, Line 3

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
<input type="checkbox"/>	1	8860	MODACCRL	001	0001	20XX	5306200	5306200000	6770010	88604000	2,900.00	06/30/20XX
<input type="checkbox"/>	2	8860	MODACCRL	001	0001	20XX	5340330	5340330000	6770010	88604000	470.00	06/30/20XX
<input type="checkbox"/>	3	8860	MODACCRL	001	0001	20XX	2000100	2000100000	6770010	88604000	-3,370.00	06/30/20XX

Lines to add 1

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	3	3,370.00	3,370.00	P	V

A-8 Accrue Accounts Payable (Open Purchase Orders)

2. Encumbrance Reduction Entry

The credit will be the opposite amount as the previous A-8 expenditure obligation accrual journal.

Credit 53XXXXX Operating Expense and Equipment (one sided entry)

- Source **ECM**.
- As Budgetary Legal Ledger is built, the system will determine the Debit account.
- For the Commitment Control Type, select: "**Encumbrance**".
- The A-8 Encumbrance reduction entries must be manually reversed in the new fiscal year.

Header | Lines | Totals | Errors | Approval

Business Unit 8860 Department of Finance Journal ID NEXT Journal Date 06/30/20XX

Journal Description/Legal Authority and Reason for Request FY20XX Encumbrance Reduction from A8 Entry AP Accrual Related to PO

*Ledger Group MODACCRL

Ledger

SCO Type of Transaction

*Source ECM

Reference Number/SCO TC

Journal Class

PS TC GL

SJE Type

Currency Defaults: USD / CRRNT / 1

Attachments (0)

Reversal: Do Not Generate Reversal

Adjusting Entry Adjusting Entry

Fiscal Year 20XX

Period 998

ADB Date 06/30/20XX

☐ Auto Generate L

☐ Save Journal In

☐ Autobalance on

☐ CTA

Commitment Control

Commitment Control Amount Type

- ☐ Actuals and Recognized
- ☒ Encumbrance
- ☐ Pre-Encumbrance
- ☐ Collected Revenue
- ☐ Actuals, Recognize and Collect
- ☐ Planned

☐ Bypass Budget Checking

☐ Override

Override User ID

Override Date

OK Cancel Refresh

A-8 Accrue Accounts Payable (Open Purchase Orders)

2. Encumbrance Reduction Entry

- Use the same chartfields as the A-8 entry.
- Journal Status and Budget Status remain as Valid “V” and Valid “V”.
- Journal will not “Post.”

Inter/IntraUnit		*Process		Edit Journal		Process						
▼ Lines												
Select	Line			Account	Alt Acct	Svc Loc	Fund	Rptg Structure	Program	Approp Ref	ENY	PC B
<input type="checkbox"/>	1			5306200	53062000		0001	88604000	6770010	001	20XX	
<input type="checkbox"/>	2			5340330	53403300		0001	88604000	6770010	001	20XX	
▼ Totals												
Unit	Total Lines			Total Debits		Total Credits		Journal Status		Budget Status		
8860	2			0.00		3,370.00		V		V		

Note: The encumbrance reduction entry will not offset the A-8 account 53XXXXX chartfield lines because this journal does not post to GL module. Departments are responsible for reclassifying the AP to the appropriate Due To liability accounts by recording the Encumbrance Reclassification.

A-8 Accrue Accounts Payable Reminders

- Process vouchers and submit actual expenditures to SCO by the cutoff dates if possible. This reduces the amount of A-8 entries for year-end.
- Invoices paid by direct transfer after June 30 must be accrued in period 998. Review expenditures for prior ENYs on the July SCO tab run.
- For goods and services invoices, group and post accrual journal entries by like chartfield lines to reduce the number of lines for the A-8 entry and encumbrance reduction entry.
- Journal lines posted to Account 201XXXXX – Due to Other Funds/Appropriations must have values in the Fund Affiliate and Affiliate fields.
- Encumbrance reduction adjustment and reversal entries should remain as Valid “V” Journal Status and Valid “V” Budget Status.
- Use Source ECM to set up the encumbrance reduction accrual. (Using this Journal Source will help with reconciliations).
- Encumbrance reduction entries must be **manually reversed** in the new fiscal year. The auto-reversal functionality is only for journals that are **posted** in FI\$Cal.
- Depending on the supplier type related to the POs, amounts posted in the encumbrance reduction journals may need to be included in the Encumbrance Reclassification.

A-9 Accrue Revenue

The A-9 entry records revenue accruals. Year-End adjusting entries must be made for the following:

1. Revenue earned but **not yet billed**
 - Record in the GL module in period 998
2. Current year AR Revenue **not expected** to be collectible in the **next fiscal year** must be deferred
 - Record in the GL module in period 998
3. Prior Year AR Revenue must be reclassified as deferred receivables
 - Record in the AR module in period 12

A-9 Accrue Revenue

1. Revenue earned but **not yet billed** will be accrued in period 998 within the GL module.

➤ This A-9 entry is **reversed** in the new fiscal year.

Record Earned but not yet billed AR-Revenue

Debit 1200000 Accounts Receivable Revenue

Debit 124XXXX Due From Other Funds/Appropriation*

Debit 126XXXX Due From Other Governments

Credit 41XXXXX Revenue*

*Journal lines posted to Account 124XXXX – Due From Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

A-9 Accrue Revenue

- Any current enactment year billed revenue accounts receivable **not** expected to be collectible in the next fiscal year should be deferred in period 998 within the GL module.

➤ This A-9 entry is **reversed** in the new fiscal year.

Record current AR not expected to be collectible in new fiscal year.

Debit 41XXXXX Revenue

Credit 1290000 Provision for Deferred Receivables*

* The Alternate Account for GL 1290000 is the standardized statewide level COA values. Use the appropriate alternate account from the below list of accounts to ensure that the Provision for Deferred Receivables does not exceed the amount of the related accounts receivable recorded in the system. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File report.

Look Up	Clear	Cancel	Basic Lookup
Search Results			
View 100	First	1-8 of 8	Last
Alternate Account	Description		
1200000998	Prov Deferred A/R-Revenue		
1200050998	Prov Deferred A/R-Reimburse		
1200100998	Prov Deferred A/R-Abatement		
1200150998	Prov Deferred A/R-Dishon Cks		
1200200998	Prov Deferred A/R-Cash Short		
1209100998	Prov Deferred A/R-Audit Except		
1209400998	Prov Deferred Contingent A/R		
1209900998	Prov Deferred A/R-Other		

A-9 Record Revenue Accruals

3. All prior enactment year revenue accounts receivable must be reclassified as deferred receivable in Account Receivable Module.

For manual processing, follow the instructions below.

- This A-9 entry is **not reversed** in the new fiscal year.
- Create a \$0 Pending Item Group with two transactions in period 12 as follow:

Customer is a *CA State Departments, CSU, Trustees, or Other Governments*

- A. Reverse original AR item using Credit AR process to:

Debit 41XXXXX Revenue

Credit 124XXXX Due From Other Funds/Appropriations

Credit 126XXXX Due From Other Governments

- B. Create 2nd transaction with the positive amount to:

Debit 1209900 Accounts Receivable - Other

Credit 1290000 Provision for Deferred Receivables*

*Use the standardized Alternate Account 1209900998 to ensure that the Provision for Deferred Receivables does not exceed the amount of the related accounts receivable recorded in the system. This will be system-generated on the year-end Report 7, Subsidiaries on File.

Note: Refer to the Updated Auto AR Reclass Phase III – Job Tool located in the FI\$Cal Service Now for reclassification processing instructions.

A-9 Record Revenue Accruals

Customer is a *Corporation, Individual/Sole Proprietor, or Partnerships*

A. Private Supplier reverse original AR item using Credit AR process to:

Debit 41XXXXX Revenue

Credit 1200000 Accounts Receivable - Revenue

B. Create 2nd transaction with positive amount to:

Debit 1200000 Accounts Receivable - Revenue

Credit 1290000 Provision for Deferred Receivables*

➤ This A-9 entry is **not reversed** in the new fiscal year.

*Use the standardized Alternate Account 1200000998 to ensure that the Provision for Deferred Receivables does not exceed the amount of the related accounts receivable recorded in the system. This will be system-generated on the year-end Report 7, Subsidiaries on File.

Note: Refer to the Updated Auto AR Reclass Phase III – Job Tool located in the FI\$Cal Service Now for reclassification processing instructions.

A-10 Adjustment for Dishonored Checks

All dishonored checks are established in FI\$Cal by the department. The A-10 entry is required for dishonored checks considered to be collectible during the next year. The A-10 entry removes the **collectible** dishonored checks from Provision for Deferred Receivables (1290000) and reflects the amount in the appropriate account.

- Record the A-10 entry in period 998 within the GL module.
- This A-10 entry is **reversed** in the new fiscal year.

Debit 1290000 Provision for Deferred Receivables*

Credit 201XXXX Due to Other Funds/Appropriations**

Credit 205XXXX Revenue/Reimbursements Received in Advance

Credit 2090100 Uncleared Collections

Credit 41XXXXXX Revenue

Credit 48XXXXXX Reimbursements

Credit 51XXXXXX Personal Services

Credit 53XXXXXX Operating Expense and Equipment

Credit 5901000 Refunds to Reverted Appropriations

*Use the standardized Alternate Account 1200150998 (Provision Deferred A/R – Dishonored Checks) to ensure that the Provision for Deferred Receivables does not exceed the amount of the related accounts receivable recorded in the system. This will be system-generated on the year-end Report 7, Subsidiaries on File.

**Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File.

A-12 Establish Reserve for Deferred Accounts Receivable

The A-12 entry is required for AR for Abatements and Reimbursements considered not to be collectible during the next fiscal year. A-12 entries reclassify the uncollectible AR for Abatements and Reimbursements to reflect the amount in the Provision for Deferred Receivables (1290000).

- Record the A-12 entry in period 998 within the GL module.
- A-12 entries are **reversed** in the new fiscal year.

➤ **Abatements**

Debit 5XXXXXX Appropriated Expenditures

Credit 1290000 Provision for Deferred Receivables*

Reimbursements

Debit 48XXXXX Reimbursements

Credit 1290000 Provision for Deferred Receivables*

* The Alternate Account for GL 1290000 is the standardized statewide level COA value. Use the standardized alternate account 1200100998 (Abatement) or 1200050998 (Reimbursement) from the list of accounts to ensure that the Provision for Deferred Receivables does not exceed the amount of the related accounts receivable recorded in the system. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File report.

Other Year-End Adjusting Entries

Adjusting Entry: Record Unremitted Deposits

The unremitted deposits are monies received and deposited in the bank before the State Treasurer's Office (STO) daily cut-off date but are not remitted to STO before the SCO cut-off date. For example, deposit accounting dates are in June, but deposit payment accounting dates (remittance accounting dates) are in July or new fiscal year.

- All deposit remittances that met SCO cut-off date must be
 - approved by SCO
 - interfaced to SCO before the year-end
- Any deposit remittances that met the deadline, but not approved and interfaced by SCO as of June 30 will require the departments to change the accounting date to the new fiscal year.
- Run DFQ_AR_20_UNREMIT_DEPOSIT_YEC query to confirm if there are any unremitted deposits for the year-end accruals.

Adjusting Entry: Record Unremitted Deposits

If applicable, departments post a year-end accrual entry for unremitted deposits.

- Record adjusting entry in period 998 within the GL module.
- These entries are **reversed** in the new fiscal year.

Accrue Unremitted Deposits*

Debit 1101000 General Cash - CTS Accounts

Credit 2090110 Uncleared Collection – State Fund

Credit 2050000 Unearned Revenue

Credit 2052000 Unearned Reimbursement

Credit 41XXXXXX Revenue

Credit 48XXXXXX Reimbursements

Credit 5XXXXXX Appropriation Expenditures

* Refer to Unapplied Receipts on the CTS Fund.

Accrue Unremitted Deposits – AR Related

Debit 1101000 General Cash - CTS Accounts

Credit 12XXXXXX Accounts Receivable

Adjusting Entries: Transfers and Loans

Per SAM, operating transfers are the amount transferred and/or received from other funds. Departments are to keep a separate GL account showing the amount transferred and/or received from each fund. When applicable, the following additional year-end adjusting entries should be posted.

- Record accrual entry in period 998 within the GL module.
- These entries are **reversed** in the new fiscal year.

Accrue Operating Transfers In*

Debit 1240000 Due from Other Funds

Credit 63X0000 Unappropriated Operating Transfers from Other Funds

Credit 6521000 Unappropriated Transfers from Other Funds

Accrue Operating Transfer Out*

Debit 62X0000 Appropriated Operating Transfers to Other Funds

Debit 6480000 Transfers to Other Funds

Debit 65110000 Unappropriated Transfers to Other Funds

Credit 2010000 Due to Other Funds

Expenditure Transfers*

Expenditure Transfers – Contributing Fund

Debit 5438000 Loans, Transfers, and Other Disbursements

Credit 2010000 Due to Other Funds

Expenditure Transfer – Receiving Fund "Less Funding
Provided By"

Debit 1240000 Due from Other Funds

Credit 5438000 Loans, Transfers, and Other
Disbursements

*Journal lines posted to Due To/Due From Other Funds/Appropriations and Transfer accounts must include values in the "Affiliate" (BU) and "Fund Affiliate" fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

Deposit Liabilities Account

The Deposit Liabilities accounts provide a depository for monies collected in trust for specific purposes.

- Departments holding money in trust will use the following accounts during the year:
 - 5610120 – Other Deductions
 - 5620120 – Other Trust and Agency Funds Addition
- Departments will reclassify the balances incurred during the year in the above accounts to 2060000 – Deposits-General or 2061000 – Deposits-Projects as part of the year-end entries.
- The reclassification journal is **not reversed** in the new fiscal year.

Deposit Liabilities Account

Departments can utilize the Report No. 7 – Pre-Closing Trial Balance (UCM version) to determine the accounts and amounts to be reclassified to 2060000 or 2061000.

Sample of Report No. 7
Before reclassification

REPORT 7 - PRE-CLOSING TRIAL BALANCE			
Department of Finance - 8860			
Fund 4321			
Fiscal Year 20XX - XX			
As of 06/30/20XX			
Business Unit: 8860 - Department of Finance		Report ID:	RPTGL157
Fund: 4321 - Training Support Fund		Run Date:	07/27/20XX
		Run Time:	14:45:11
		Adjustment Period:	998
		Ledger:	BUDLEGAL
ACCOUNT	ACCOUNT TITLE	DEBITS	CREDITS
3510	Deposits - General		2,454,022.20
5610120	Other Deductions (Unspecified)	439,034.48	
5620120	Other Trust and Agency Funds A		490,004.88
65	Unapp InterUnit Transfers	2,504,992.60	
Fund	4321	2,944,027.08	2,944,027.08

- If accounts 5610120 and/or 5620120 appear on UCM Report 7, departments must reclassify to account 206XXXX if money is held in trust or the appropriate nominal account.

Deposit Liabilities Account

Record the reclassification entry in period 998, Ledger Group: DEPTADJ, Target Source: BL (for BLBAR and BUDLEGAL) Source ACJ in the General Ledger module.

Business Unit	Ledger Grp	Fund	ENY	Approp Ref	Program	Rptg Structure	Account	Alt Acct	Amount	Budg Dt
8860	DEPTADJ	4321	1945	901	43214321	43212009	2060000	2060000000	439,034.48	06/30/20XX
8860	DEPTADJ	4321	1945	901	43214321	43212009	5610120	5610120001	(439,034.48)	06/30/20XX
8860	DEPTADJ	4321	1945	901	43214321	43212009	5620120	5620120001	490,004.88	06/30/20XX
8860	DEPTADJ	4321	1945	901	43214321	43212009	2060000	2060000000	(490,004.88)	06/30/20XX

Sample of Trail Balance Report After reclassification entries are posted

DEPT OF FINANCE Trial Balance					
As Of: 06/30/20XX					
Business Unit:	8860			Run Date:	7/27/20XX
Ledger:	BUDLEGAL			Run Time	15:18:03
Fiscal Year:	20XX				
Period From:	1	To Period:	12		
Fund:	4321 Training Support Fund				
ACCOUNT	ACCOUNT_TITLE	BEGINNING BALANCE	DEBITS	CREDITS	ENDING BALANCE
1109100	Pending Cash Transfer - GL	\$0.00	\$0.00	\$0.00	\$0.00
1109110	SCO Legacy Interface Trans	\$0.00	\$242,280.72	\$242,280.72	\$0.00
1109300	Pending Cash Transfers - AR	\$0.00	\$490,004.88	\$490,004.88	\$0.00
2000000	Accounts Payable	\$0.00	\$196,753.76	\$196,753.76	\$0.00
2060000	Deposit - General	(\$2,555,963.00)	\$439,034.48	\$490,004.88	(\$2,504,992.60)
5390950	SCO Inbound Interface Dept Exp	\$0.00	\$242,280.72	\$242,280.72	\$0.00
5610120	Other Deductions (Unspecified)	\$0.00	\$439,034.48	\$439,034.48	\$0.00
5620120	Other Trust and Agency Funds A	\$0.00	\$490,004.88	\$490,004.88	\$0.00
6510000	Unapp InterUnit Cash Xfers In	(\$541,928.73)	\$0.00	\$439,034.48	(\$980,963.21)
6520000	Unapp InterUnit Cash Xfers Out	\$3,097,891.73	\$1,490,004.88	\$0.00	\$3,485,955.81
Total Fund: 4321		\$0.00	\$4,029,398.80	\$4,029,398.80	\$0.00

Deposit Liabilities Account

Sample of Report No. 7
After reclassification entries are posted

REPORT 7 - PRE-CLOSING TRIAL BALANCE			
Department of Finance - 8860			
Fund 4321			
Fiscal Year 20XX - XX			
As of 06/30/20XX			
Business Unit: 8860 - Department of Finance		Report ID:	RPTGL157
Fund: 4321 - Training Support Fund		Run Date:	07/27/20XX
		Run Time:	14:45:11
		Adjustment Period:	998
		Ledger:	BUDLEGAL
ACCOUNT	ACCOUNT TITLE	DEBITS	CREDITS
3510	Deposits - General		2,504,992.60
65	Unapp InterUnit Transfers	2,504,992.60	
Fund	4321	2,504,992.60	2,504,992.60

Period 998 Allocation Process

Period 998 Allocation Process

After all accruals and adjustments are posted in period 998, departments will run the encumbrance and expenditure allocation process to distribute costs to the ultimate funds for year-end reporting purposes.

- Departments will review 998 configurations before running allocations. If changes are required, submit a ticket to the FI\$Cal Service Center (FSC). FSC will work with the department to change the allocation configurations.
- Do not run period 998 the encumbrance and expenditure allocation process until the department has verified that all encumbrance and expenditure entries have been posted and validated to the source data.
- Department will run the encumbrance and expenditure allocation process using the period 998 allocation configuration setup by FI\$Cal.

Preliminary Period 998 Reconciliations and Reports

Preliminary Period 998 Reconciliations

- After the period 998 allocation process is complete, departments should prepare preliminary period 998 reconciliations.
 - Reconciling items found during this process that are not SCO reconciling items must be corrected. Any entries affecting account 5XXXXXX – Appropriation Expenditures and clearing account (program 9999) must be manually allocated.
- Allocation adjustments – GL Journal Entry for manual allocations should utilize account 5XXXXXX – Appropriation Expenditures and 1110101 – Intraunit Acc Acct-LD/PFA Alloc, with SCO Transaction Type CARE and Source 11N.
- Departments should order Report 6 to review all appropriations for overspent or inappropriate costs.
 - If an appropriation is overspent, adjustments must be made prior to report preparation. Review the correctness of encumbrances, accruals, and expenditures.
- Under no circumstances should the Accounting Office reverse accruals, expenditures, or encumbrances that are legitimate costs of a program or category.

Preliminary Period 998 Reconciliations and Reports

- Similar to “Review Period 12 Reports” slide 26, review preliminary period 998 reports:
 - Statement of Revenue, Report No. 4
 - Final Budget Report, Report No. 6
 - Pre-Closing Trial Balance, Report No. 7
 - Statement of Changes in Capital Assets, Report No. 18
 - Subsidiaries on File, Report No. 7
 - Trial Balance Report

- Review accruals and adjustments.

Reminders and Tips for the Preliminary SCO/Agency Reconciliation Worksheet

- Appropriation Accounts – verify SCO and FI\$Cal balances have no variance in all appropriation accounts – variance line at the bottom is zero.
- GL Accounts – verify all applicable GL accounts on Trial Balance Report are reconciled with the transactions posted in Commitment Control (KK).
- All “Pending Cash Transfer” lines must be \$0 for period 998.
- All departmental reconciling items must be resolved in period 998.
- All adjustments to SCO accounts should be supported by transaction requests and reported on Report 3, Adjustments to Controller's Accounts.
- Clearing Account for all ENY “Expenditure” and “Encumbrance” balances should be \$0.
- Run and review financial reports prior to building Budgetary Legal Ledger (BLL) to check for abnormal balances.

Year-End Plan of Financial Adjustment Reclassification

Plan of Financial Adjustment Reclassification

At year-end an accrual reclassification entry is required to reflect all outstanding Plan of Financial Adjustment (PFA) amounts from 1110101 – Intraunit Accrual Account-LD PFA Allocation to the appropriate accounts 124XXXX/201XXXX – Due From/Due To Other Funds or Appropriations.

- Record the PFA accrual reclassification entry in period 998 within the GL module.
- All entries are **reversed** in the new fiscal year.

Source Document

Use the period 998 PFA Reconciliation Worksheet to determine the PFA reclassification entries.

For more information refer to eLearning “Record Year-End Plan of Financial Adjustment.”

For PFA Interface and changes refer to JobAid FISCal.440 – FI\$Cal Plan of Financial Adjustment Functionality.

Plan of Financial Adjustment Reclassification

Account 1110110 – Intraunit Pending PFA Accrual was created for the Year-End PFA accrual entry.

Program

Debit 1110110 Intraunit Pending PFA Accrual Account

Credit 2010000 Due to Other Funds*

Credit 2011000 Due to Other Appropriations*

Clearing Account

Debit 1240000 Due from Other Funds*

Debit 1240100 Due from Other Appropriations*

Credit 1110110 Intraunit Pending PFA Accrual Account

*Journal lines posted to Account 124XXXX – Due from Other Funds/Appropriations and Account 201XXXX – Due to Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

Plan of Financial Adjustment Reclassification

SOURCE DOCUMENT

Use the period 998 PFA Reconciliation Worksheet

DEPARTMENT OF FINANCE (8860)						
PFA WORKSHEET						
FOR FY 202X-202X						
					Total Pending PFA Current Year	
FI\$Cal ENY	FI\$Cal PG	FI\$Cal REF	FI\$Cal FUND	SCO PG		
20XX	6770	001	0001	10	5,476,519.03	A
20XX	6770	0011	0001	10	0.00	
20XX	6780	001	0001	20	3,095,598.87	B
20XX	6790	001	0001	32	0.00	
20XX	9999	001	0001	99	(13,307,946.90)	C
20XX	9900100	001	0001	40 01	2,448,148.09	D
20XX	9900200	001	0001	40 02	(2,448,148.09)	E
20XX	6770	001	9740	10	4,130,319.04	F
20XX	6780	001	9740	20	605,509.96	G
20XX	6790	001	9740	32	0.00	
TOTAL					0.00	

Refer to MEC Training Session II for details on completing the PFA Reconciliation.

Plan of Financial Adjustment Reclassification

DEPARTMENT OF FINANCE (8860)						
PFA WORKSHEET						
FOR FY 202X-202X						
FI\$Cal					Total Pending PFA Current Year	
ENY	PG	REF	FUND	SCO PG		
20XX	6770	001	0001	10	5,476,519.03	A
20XX	6770	0011	0001	10	0.00	
20XX	6780	001	0001	20	3,095,598.87	B
20XX	6790	001	0001	32	0.00	
20XX	9999	001	0001	99	(13,307,946.90)	C
20XX	9900100	001	0001	40 01	2,448,148.09	D

BU	Ledger	ENY	Program	Approp Ref	Fund	Account	Alt Acct	Rptg Structure	Affiliate	Fund Affil	Amount	
8860	MODACCRL	20XX	6770	001	0001	1110110	1110110000		8860	0001	5,476,519.03	A
8860	MODACCRL	20XX	6770	001	0001	2011000	2011000000		8860	0001	-5,476,519.03	A
8860	MODACCRL	20XX	9999	001	0001	1240100	1240100000		8860	0001	5,476,519.03	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	0001	-5,476,519.03	C
8860	MODACCRL	20XX	6780	001	0001	1110110	1110110000		8860	0001	3,095,598.87	B
8860	MODACCRL	20XX	6780	001	0001	2011000	2011000000		8860	0001	-3,095,598.87	B
8860	MODACCRL	20XX	9999	001	0001	1240100	1240100000		8860	0001	3,095,598.87	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	0001	-3,095,598.87	C
8860	MODACCRL	20XX	9900100	001	0001	1110110	1110110000		8860	0001	2,448,148.09	D
8860	MODACCRL	20XX	9900100	001	0001	2011000	2011000000		8860	0001	-2,448,148.09	D
8860	MODACCRL	20XX	9999	001	0001	1240100	1240100000		8860	0001	2,448,148.09	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	0001	-2,448,148.09	C

Plan of Financial Adjustment Reclassification

DEPARTMENT OF FINANCE (8860)						
PFA WORKSHEET						
FOR FY 202X-202X						
					Total Pending PFA Current Year	
FI\$Cal ENY	FI\$Cal PG	FI\$Cal REF	FI\$Cal FUND	SCO PG		
20XX	9900200	001	0001	40 02	(2,448,148.09)	E
20XX	6770	001	9740	10	4,130,319.04	F
20XX	6780	001	9740	20	605,509.96	G
20XX	6790	001	9740	32	0.00	

BU	Ledger	ENY	Program	Approp Ref	Fund	Account	Alt Acct	Rptg Structure	Affiliate	Fund Affil	Amount	
8860	MODACCRL	20XX	9900200	001	0001	1240100	1240100000		8860	0001	2,448,148.09	E
8860	MODACCRL	20XX	9900200	001	0001	1110110	1110110000		8860	0001	-2,448,148.09	E
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	0001	2,448,148.09	C
8860	MODACCRL	20XX	9999	001	0001	2011000	2011000000		8860	0001	-2,448,148.09	C
8860	MODACCRL	20XX	6770	001	9740	1110110	1110110000		8860	0001	4,130,319.04	F
8860	MODACCRL	20XX	6770	001	9740	2010000	2010000000		8860	0001	-4,130,319.04	F
8860	MODACCRL	20XX	9999	001	0001	1240000	1240000000		8860	9740	4,130,319.04	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	9740	-4,130,319.04	C
8860	MODACCRL	20XX	6780	001	9740	1110110	1110110000		8860	0001	605,509.96	G
8860	MODACCRL	20XX	6780	001	9740	2010000	2010000000		8860	0001	-605,509.96	G
8860	MODACCRL	20XX	9999	001	0001	1240000	1240000000		8860	9740	605,509.96	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	9740	-605,509.96	C

Budgetary Legal Ledger and Departmental Adjustment Ledger

What is the Budgetary Legal Ledger?

- Budgetary Legal Ledger is the source of financial information for Budgetary/Legal Year-End Financial Reports.
- Budgetary Legal Ledger Application (BLL App) engine extracts financial data from the Modified Accrual Ledger and Departmental Adjustment Ledger and posts transactions automatically into the BUDLEGAL ledger monthly, and at year-end after the accounting period is closed. FSC validates all BLL and 998 journals are posted.
- BLL contains cash basis, accrual transactions, and encumbrance transactions.
- For more information on the above refer to Job Aid FISCal.257

What is the Departmental Adjustment Ledger?

The Departmental Adjustment ledger (DEPTADJ) is used to post/extract capitalized asset and depreciation, and encumbrance transactions. Departments will post the encumbrance liability reclassification and reversal in this ledger.

When creating entries in the DEPTADJ ledger, the Target Ledger Code field is required. Each letter in the Target Ledger Codes corresponds to a specific ledger. Depending on the Target Ledger Code combination selected, the transaction data flows to the corresponding Target Ledger Group(s). For the encumbrance liability reclassification journal use Target Ledger Code “BL” to ensure that the transactions flow to the Budgetary/Legal Basis Annual Report (BLBAR) and Budgetary Legal (BUDLEGAL) ledgers.

- Refer to Job Aid FISCal.490 – Department Adjustment Ledger Entries

Target Ledger Code	Corresponding Target Ledger Group(s)
ABG	ACCRL – BLBAR – GAAP
AG	ACCRL – GAAP
AW	FULLACCRL, GAAPGW
BG	BLBAR – GAAP
BL	BLBAR – BUDLEGAL
G	GAAP
GW	GAAPGW

FSC and Department Responsibilities for Period 998 and Budgetary Legal Ledger Process

Refer to Job Aid FISCal.258 Running the YEC Process for detailed steps:

- Request period 998 Close (MODACCRL) – **Department**
- Close period 998 (MODACCRL) and validate BLL and 998 journals are posted – **FSC**
 - Run allocation to allocate Account 2000300 to the appropriate liability accounts
- Notify departments once the BLL is built and period 998 DEPTADJ is open – **FSC**
- Encumbrance reclassification from Accounts Payable to the appropriate Due To accounts (DEPTADJ) – **Department**
 - Refer to eLearning YE – Encumbrance Liability Reclassification
- Complete all final reconciliations (BUDLEGAL) – **Department**
- Provide FSC the encumbrance journal ID(s) and request to run the YEC process to have Report No. 8, 9 and 20 available – **Department**
- Notify departments once the YEC process is complete – **FSC**
- Prepare Year-End Financial Reports (BUDLEGAL) – **Department**

Encumbrance Liability Reclassification

Departments are responsible for reclassifying AP liabilities to the appropriate Due To liability accounts for encumbrances and encumbrance journals.

- Encumbrance Liability Reclassification entries are **reversed** in the new fiscal year.
- Post journals to Ledger Group: DEPTADJ, Target Ledger Code: BL, Source ACC

Encumbrances in BLL include data from both:

1. Purchase orders recorded to the direct appropriation
2. Encumbrance Journals (for example, encumbrance journals from allocation, A-8 Encumbrance Reduction, and other encumbrance journals.)

For more information refer to eLearning “YE – Encumbrance Liability Reclassification.”

Encumbrance Liability Reclassification

1. Purchase orders recorded to the direct appropriation

- The BLL App engine copies the encumbrance accounting entries from the DEPTADJ ledger and posts them in the BUDLEGAL ledger with the applicable offsetting liability accounts for the AP, Due to Local Governments, Due to Federal Governments, Due to Other Governments. However, if the supplier is an Inter-Unit Supplier (State Departments), Account 2000000 – Accounts Payable is used as the offsetting liability account.
- Post journals to Ledger Group: DEPTADJ, Target Ledger Code: BL, Source ACC

Record encumbrance liability reclassification for State Departments

Debit 2000100 Accrued Accounts Payable

Credit 2010000 Due to Other Funds*

Credit 2011000 Due to Other Appropriations*

*Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” (Fund) fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File.

Encumbrance Liability Reclassification

1. Purchase orders recorded to the direct appropriation

- DFQ_PO_05A_ENC_RECLASS_SUMMARY query
- Create a pivot table
- Filter by Supplier Type: 03 (CA State Departments including CSU and Trustees)
- Complete Supplier Affiliate (BU Affiliate) using the Supplier ID
- Complete the Fund Affiliate
- Post accrual journal in Ledger Group: DEPTADJ, Target Ledger Code: BL, Source ACC

[illegible]

Supplier Type	03									
Sum of Sum Amount										
Fund	ENY	Approp Ref	Prog	Supplier ID	Supplier Affiliate	Fund Affil	JRNL Line Reference	Transaction Description	Total	
0001	20PY	001	6780	UNIV667000	(blank)	(blank)	(blank)	(blank)	648.64	
				UNIV668000	6680	(blank)	(blank)	(blank)	425.67	
				UNIV678000	6780	(blank)	(blank)	(blank)	239.15	
			9999	DEPT180000	(blank)	(blank)	(blank)	(blank)	542.50	
				DEPT790000	7900	(blank)	(blank)	(blank)	350.00	
	20CY	001	6780	DEPT776000	7760	(blank)	(blank)	(blank)	150.00	
				UNIV667000	(blank)	(blank)	(blank)	(blank)	209.15	
				UNIV676000	6760	(blank)	(blank)	(blank)	81.08	
				UNIV678000	6780	(blank)	(blank)	(blank)	397.38	
			9999	DEPT084000	0840	(blank)	(blank)	(blank)	1,000.00	
				DEPT542000	5420	(blank)	(blank)	(blank)	154.80	
				DEPT776000	7760	(blank)	(blank)	(blank)	115.00	
				DEPT790000	7900	(blank)	(blank)	(blank)	349.00	
9740	20PY	001	6780	UNIV667000	(blank)	(blank)	(blank)	(blank)	151.30	
				UNIV668000	6680	(blank)	(blank)	(blank)	99.33	
				UNIV678000	6780	(blank)	(blank)	(blank)	55.83	
	20CY	001	6780	UNIV667000	(blank)	(blank)	(blank)	(blank)	40.83	
				UNIV676000	6760	(blank)	(blank)	(blank)	18.92	
				UNIV678000	6780	(blank)	(blank)	(blank)	77.62	
Grand Total										5,106.30

Encumbrance Liability Reclassification

2. Encumbrance Journals

- The BLL App engine copies the encumbrance accounting entries from the DEPTADJ ledger and posts them in the BUDLEGAL ledger for the allocated encumbrances as Account 2000000 Accounts Payable. Departments are responsible for reclassifying Account 2000000 to the appropriate Due to Other Funds/Appropriations, Due to Local Governments, Due to Federal Governments, or Due to Other Governments.
- Post journals to Ledger Group: DEPTADJ, Target Ledger Code: BL, Source ACC.

Record encumbrance liability reclassification for all governmental entities

Debit 2000100 Accrued Accounts Payable

Credit 2010000 Due to Other Funds*

Credit 2011000 Due to Other Appropriations*

Credit 2020000 Due to Federal Government

Credit 2021000 Due to Local Government

Credit 2024000 Due to Other Governmental Entities

*Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” (Fund) fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File.

Final Reconciliations and Online MEC Status

Final Reconciliations

- Complete all final BUDLEGAL reconciliations prior to completing Year-End Financial Reports – Department
 - Bank Reconciliation (See MEC Session I)
 - Revolving Fund Reconciliation (See MEC Session I)
 - Cash in State Treasury Account Reconciliation (See MEC Session I)
NEW:
 - Non-shared funds Report No. 7 and 8 may display GL 1140 and the COA Account 65.
 - GL 1140 is the cash balance from 7/1/2020 to the present.
 - Account 65 is the cash balance from inception to 6/30/2020.
 - Shared funds Report No. 7 will display GL 1140 for the cash balance.
 - SCO/Agency Fund Reconciliation (See MEC Session II)
 - Deposit in Surplus Money Investment Fund Reconciliation
 - Other reconciliations – each department is responsible for completing any reconciliation necessary to safeguard the state's assets and ensure reliable financial data

Final Reconciliations

➤ Final BUDLEGAL SCO/Agency Fund Reconciliation – Department

- No variance exists between the adjusted SCO Appropriation Balance and the Department's Adjusted Appropriation Balance
- No variance exists in the GL variance balance column
- All departmental reconciling items must be resolved
- All “Pending Cash Transfer” accounts must be \$0 in period 998
- **NEW:** Account 2000300 must be \$0 - The Milestone 5 Encumbrance Extract Process reclassified Account 2000300 balance to the appropriate AP liability based on the DEPTADJ ledger balance
- All ENYs Clearing Account balances must be zero
- All adjustments to SCO accounts should be supported by transaction requests and reported on Report No. 3, Adjustments to Controller's Accounts
- **NEW:** No COA values appear on the UCM Report No. 7 (except Account 65 for non-shared funds)

Update Online MEC Status

- Online Month-End Closing (MEC) Reporting Tool (Job Aid FISCal.335) provides departments with the steps on how to report MEC activities online in FI\$Cal.
- Update the reconciliation status for each fund.
- When all tasks are reported as “Completed,” the MEC Dashboard will report 100% completed for the accounting period.
- FI\$Cal will produce project status reports based on MEC status. Therefore, departments must ensure accurate and timely updates after the completion of related MEC activities.

Update Online MEC Status

Favorites ▾

Main Menu ▾ > FISCAL Processes ▾ > FISCAL Extension ▾ > GL ▾ > Month End Close ▾ > MEC Status

MEC Summary Status

MEC Detail Status

References

Journal Details

Open Periods

Business Unit 8860

Fiscal Year 20XX

Period 998

Acctg Date From

Acctg Date To

Personalize | Find | View All | |

First 1-8 of 8 Last

Status

Details

Select	Step	Summary Task	Detail Task	Responsible Party	*Status	Incident Number	Incident Date
<input type="checkbox"/>	1	Enter Accruals	Confirm all Accruals have been entered	DEPTS	Completed ▾		
<input type="checkbox"/>	2	Run Allocations	Run Allocation Process and Review Allocation Calculation Log	DEPTS	Completed ▾		
<input type="checkbox"/>	3	Run Allocations	Review Created Journals and Post the Allocation Journals	DEPTS	Completed ▾		
<input type="checkbox"/>	4	Close GL	Open a ticket with the FISCAL Service Center for AM and GL closing. See FISCAL.009 Job Aid for instructions. Confirm once you have received notification on AM and GL modules being closed.	DEPTS	Completed		
<input type="checkbox"/>	5	Perform Agency Reconciliation, PFA and Post Corrections	Perform PFA and Agency reconciliation	DEPTS	Completed ▾		
<input type="checkbox"/>	6	Perform Agency Reconciliation, PFA and Post Corrections	Prepare PFA Reconciliation (if applicable)	DEPTS	Completed ▾		
<input type="checkbox"/>	7	Perform Agency Reconciliation, PFA and Post Corrections	Prepare Transaction Requests and Submit to SCO (if applicable)	DEPTS	Completed ▾		
<input type="checkbox"/>	8	Perform Agency Reconciliation, PFA and Post Corrections	Create and post any required correcting Journal Entries in FISCAL in the current month (if applicable)	DEPTS	Completed ▾		

☒ Select All ☐ Deselect All

Update Selected Steps

Save

Return to Search

Update/Display

Include History

Year-End Financial Reports

Due Dates:

8/31/2023 – All Funds

Year-End Financial Reporting Requirements BL 23-02

- Review SCO's "Checklist of Funds Required" to verify what funds SCO requires the Department to submit financial reports for.

https://www.sco.ca.gov/Files-ARD/BudLeg/Department_Fund_Checklist.pdf

The screenshot shows the homepage of the California State Controller, Malia M. Cohen. The header includes the name and title, a search bar, and the official seal. A navigation menu lists various sections. Below the menu, a breadcrumb trail is highlighted with a blue box: Home » State and Local » State Government » Budgetary / Legal Basis Reporting. The main heading is "Budgetary / Legal Basis Reporting". Under this heading, a list of links is shown. The link "Department Fund Checklist" is highlighted with a blue box and includes a PDF icon and the date "July 2022". Other links include "Checklist of Reports 18 and 19 Required for Year-End Reporting" (Updated November 2022), "Prior Year Accrual Summary Report for Fiscal Year 2021-22" (Updated September 2022), "Report 1 - Report of Accruals to Controller's Accounts" (July 2022), and "Report 3 - Adjustments to Controller's Accounts" (July 2022).

Malia M. Cohen
California State Controller

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Budgetary / Legal Basis Reporting

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 - » Checklist of Reports 18 and 19 Required for Year-End Reporting Updated November 2022
 - » Prior Year Accrual Summary Report for Fiscal Year 2021-22 Updated September 2022
 - » Report 1 - Report of Accruals to Controller's Accounts July 2022
 - » Report 3 - Adjustments to Controller's Accounts July 2022

List of Required Year-End Financial Reports

SAM Section 7951

(Revised 06/2022)

No.	Year-End Report d/	Form or FI\$Cal Report ID	Governmental Cost Funds and Bond Funds	Non-Governmental Cost Funds (excludes Bond Funds)	Distribution f/ DOF	Distribution f/ SCO	Distribution g/ STO	SAM Section
1	Report of Accruals to Controller's Accounts	571 c/	X			X		7952
2	Accrual Worksheet	a/	X			X		7953
3	Adjustments to Controller's Accounts	576 c/	X	X		X		7955
4	Statement of Revenue (includes reconciliation with Controller's Accounts)	RPTGL065 b/	X			X		7956
5	Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records	573 c/	X			X		7957
6	Final Budget Report	RPTGL067 b/	X	X				7961
7	Pre-Closing Trial Balance	RPTGL068 b/	X	X		X		7962
8	Post-Closing Trial Balance	RPTGL069 b/	X	X		X		7962
9	Analysis of Change in Fund Balance (Statement of Operations)	RPTGL113 b/		X		X		7963
10	Analysis and Reconciliation of Revolving Fund Accountability	a/	X	X				7965
11	Bank Reconciliation	a/	X	X				7967
13	Report of Expenditures of Federal Funds	RPTGL072 b/		X	X h/			7974
14	Report of Accounts Outside the State Treasury (1 report per department)	g/	X	X		X q/	X	7975
15	Reconciliation of Agency Accounts with Transactions per State Controller	a/	X			X		7976
18	Statement of Changes in Capital Assets Group of Accounts (1 report per fund)	RPTGL075 b/	X	X		X		7977
19	Statement of Capital Assets Group of Accounts (1 report per department)	RPTGL076 b/	X	X		X		7978
20	Statement of Financial Condition	RPTGL07 b/		X		X		7979
22	Statement of Contingent Liabilities	a/	X	X e/		X		7980

a/ If a standard form/report is not listed, refer to SAM illustrations for suggested format.

b/ Listed reports are produced from FI\$Cal. Departments not using FI\$Cal should refer to SAM illustrations for suggested format.

c/ These reports are available from the SCO website at http://www.sco.ca.gov/ard_reporting.html.

d/ See SAM Section 7951 for required certification.

e/ For non-Treasury Trust Funds, Report No. 22 is not submitted.

f/ Mailing Address Interagency Mail & Messenger Service (IMS) Code and E-mail Address (see below).

g/ Must be submitted through FI\$Cal. See SAM Section 7975 for submission requirements if no accounts exist outside the State Treasury.

h/ May be submitted to Fiscal Systems and Consulting Unit by e-mail.

A-15
Department of Finance
Fiscal Systems & Consulting Unit
915 L Street, 7th Floor
Sacramento, CA 95814
FSCUHOTLINE@DOF.CA.GOV

B-08
State Controller's Office
Bureau of State Government Reporting Division
3301 C Street, Suite 700
Sacramento, CA 95816
BLFINREP@SCO.CA.GOV

All departments using FI\$Cal must submit FI\$Cal system-generated financial reports to SCO.

Tips for Year-End Financial Reports

- Use Legacy UCM accounts
- Translate COA accounts to UCM accounts using the crosswalk, “COA Crosswalk – Details from FI\$Cal to UCM” is available on the Finance website:
<https://dof.ca.gov/budget/resources-for-departments/fiscal-resources-for-budget/>
- Complete the SCO's Checklist – it is not required to submit the checklist with the Year-End Financial Reports
- Ensure Report Title, BU, and Fund information is correct
- Abnormal balances should have an asterisk(*) next to the balance and footnote the explanation
- Subsidiaries on File is now Report No. 7, Subsidiaries on File
- Due To/From Supplemental Report is no longer required to be submitted to SCO
- Copy of Report No. 14 is no longer required to be submitted to SCO

Importance of Meeting the Month-End Close and Year-End Close Deadlines

Objective

The consistent and timely execution of Month-End Close processes enables departments to complete Year-End tasks promptly to meet Year-End Close deadlines.

Importance of Meeting Deadlines

Month-End Close (MEC) deadlines ensure departments can meet Year-End Close (YEC) reporting deadlines. Deadlines are established to help ensure the state can accomplish its statewide statutory responsibilities. Meeting the deadlines will have the following benefits:

- State Controller's Office will have final data to publish in their annual reports.
- Finance will have final prior year data to build the budget and meet the deadlines for the Governor's Budget.
- Finance will have the information necessary to meet statewide Single Audit Act reporting requirements.
- The state will have the information necessary to meet bond disclosure requirements.
- Departments will have an easier transition to timely monthly closing.
- Departments can move forward with working on current year closing activities.

Importance of Meeting Deadlines

Delay in providing accurate and timely financial information may:

- Impede timely preparation and presentation of the Governor's Budget to the Legislature.
- Create distortion in budget details resulting from inaccurate or absence of required data, or use of estimates.
- Delay in preparation and publication of the Budgetary-Legal Basis Annual Report Government Code (GC) Section 12460.
- Lead to cuts to programs/inability to fund key programs.
- Create distrust and loss of public confidence:
 - Negative press perspective
 - Voters may reject subsequent ballot measures Delays

Importance of Meeting Deadlines

Delay in providing accurate and timely financial information:

- Non-compliance with regulatory requirements:
 - Single Audit (Part 200 of Code of Federal Regulation)
 - Withhold federal funds
 - Suspension of grant agreement
 - Termination of federal award
- Non-compliance with law:
 - Implication for State Leadership and Oversight GC 8546.1 (e)
- SCO will report delinquent departments to the Legislature.
 - Departments will be required to testify on correcting this deficiency.

Importance of Meeting Deadlines

Delay in providing accurate and timely financial information:

- U.S. Securities and Exchange Commission (SEC) Rule 240.15c2-12:
 - Violation of Bond Contract – has legal implication
 - Trigger “Failure to File Notice”
 - If not cured promptly, must disclose again
 - Must disclose non-compliance for 5 years
- Reputational damage:
 - Withdrawal/downgrade of credit rating
 - High borrowing cost
 - May result in the suspension of current rating
 - Non-Issuance of Government Finance Officers Association (GFOA) certificate of achievement
 - Less attractive to investors

Tips for Successful Year-End Close

- SAM Requirement, see Chapter 7900 Reconciliation and Reports.
- Departments must create and implement a work plan to ensure the timely close of accounting periods and submission of Year-End Financial Reports.*
- Departments can utilize an example of the MEC plan found in Job Aid FISCal.009 – Run the Month-End Process.
- Departments must track and update MEC Status using Job Aid FISCal.335 – The Online Month-End Close MEC Reporting Tool.
- Utilize MEC Automation Process by requesting required role, Job Aid FISCal.431 – MEC Automation Process.
- Timely posting and approval of daily transactions are extremely important to the Month-End Close and Year-End process.
- Run Labor, Cost Allocation, and Asset Depreciation timely every month.
- Perform and complete Plan of Financial Adjustments and all reconciliations monthly.
- Clear reconciling items in the following period.

*Note: Work plans and reconciliations may be subject to review by the Department of Finance, the State Controllers Office, and the California State Auditor.

Year-End Support

- Contact the FSCU Hotline for accounting policy
- FI\$Cal Service Center for tickets
 - Note “MEC” for period 12 issues or “YEC” for period 998 issues in the subject line
- FI\$Cal Month-End Close/Year-End Close Team

New Year Reminders

New Year Reminders

- Balances:
 - Review the Final Budget Report to ensure the beginning balances are correct.
 - Review the Trial Balance to ensure the beginning balances are correct.

- Labor:
 - Review and follow applicable instructions in Job Aid FISCal.255 Establishing New Year Labor Distribution Configuration Tables.
 - Ensure configurations for the new year are correctly established (after completing labor for period 12 and prior to running labor for period 1).

- Allocations:
 - Determine if the CY will need to be treated differently than the PY.
 - To amend or rescind any current primary or special appropriations, submit a proposed PFA letter to Finance, FSCU – PFArequests@dof.ca.gov.
 - To correct or update the PFA Tree configuration only (previously approved PFA Letter remains the same), submit a Tree update request to the email above.
 - Validate and update statistic journals for the new FY or ENY.
 - Validate the need for new cost pools.
 - Review applicable instructions to update Allocations in Job Aid FISCal.008 Maintaining Allocations.



Questions??

Contact the FSCU Hotline
FSCU Hotline Phone: (916) 324-0385
Email: FSCUHotline@dof.ca.gov